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Mr. A. Veale
Director
Planning and Development Department
Regional Municipality of Niagara
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Dear Sir:

We are pleased to present our Final Report - Recommendations for the Regional Niagara Economic Development Study. This Report conforms to the work specifications for Phase 3 of the Study as set out in the approved Study Programme (September 19, 1979). It draws, as its principal input source, upon our Technical Report presented on January 23, 1980. It responds directly to our analysis of and summary conclusions on Niagara's economic problems and potentials. These are reproduced in the Appendix of this Report for ready reference.

Three quarters of this Report are given over to our detailed recommendations for economic development action in Niagara. We present specific recommendations on six (6) component development programmes. These are:

- The Region of Niagara Promotion Programme
- A Maintenance and Expansion Programme for Large Manufacturing Industries

- o A Small Manufacturing Industries Development Programme
- o The Region of Niagara Tourism Development Programme
- o The Services Sector Development Programme
- o A Special Projects Development Programme

These programmes and the detailed tasks specified for each, should produce a cohesive and effective Regional promotion and marketing effort, an aggressive and competitive tourism programme for the entire area, greater security and expansion opportunities for the present industrial base, continued growth and new opportunities in the Region's small industries sector, new ventures in the increasingly important office-based services sector and a start in some innovative projects.

We have reviewed and evaluated alternative economic development vehicles for Niagara and recommended the setting up of a Niagara Economic Development Corporation. This incorporated body will be responsible for all aspects of economic development throughout Niagara. It will and must work with advisory inputs and participation from all Area Municipalities. We have made outline recommendations on the corporate structure, staffing and 1980-82 budgets for the proposed NEDC.

We have taken the Regional Chairman's, Mr. J.E. Campbell, direction for a Regional perspective to Regional problems and potential. We have been guided by the commitment of the Committee and that of its Chairman Mr. R. Bell, to candidly address Niagara's past, present and future propspects. The response to us from a great cross-section of the community is a call for constructive action and for professional

management of the Region's economic affairs. In the same spirit, we have set out our programme recommendations for the Region of Niagara to solve specific problems and to exploit new potentials. We have recommended a development vehicle (the NEDC) to attend to these Regional priorities. No other solution, in our view, will suffice, to meet your objectives. The recommended programmes are pragmatic and implementable. The tasks are managable. We do not envisage any long term or substantial increase in economic development expenditures by the Region or the community at large. This project and our recommendations are no more than a continuation of the Region's record of effort, enthusiasm and commitment to community-wide economic development. The challenge now is to harness and augment the community will and ensure the maximum political support to implement, what we believe, is a very necessary step in Niagara's long term social, political and economic future.

We would like to acknowledge the ongoing contributions and advice of the Regional Chairman, Mr. J.E. Campbell, the Chairman of the Economic Development Study Committee, Mr. R. Bell, the other Members of and Advisors to the Committee and the great number of people in industry, tourism, commerce, local government and the educational sector in Niagara who willingly gave of their time and trust to contribute directly to the success of this important project. Their candid, constructive and valuable inputs have been fundamental to the substance, direction and final outputs of this undertaking. As in the Technical Report, the names of the Committee Members and Advisors are listed separately in this Report. Our sincere thanks are due to you, Drew Semple and other members of the Planning and Development Department for your ongoing advice and assistance.

We hope that the Committee, after thorough scrutiny of our recommendations, will see fit to recommend adoption by Regional Council. We look forward to early action on the programme and the NEDC recommendations, to widespread community and political support and to increased success for you and your colleagues in these important endeavours. We would like to thank you, your colleagues and the Committee for affording us the opportunity of placing our services before you, working with you and contributing to the ongoing development of Niagara.

Yours very truly

Woods Gordon

c.c.: M.J. McClew
D.J.A. Douglas
J.D. Linton
E.N. Starr
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ECONOMIC DEVELOPMENT STUDY COMMITTEE

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- R. Bell, St. Catharines
- E. Bergenstein, Mayor, Pelham
- E. Birmingham, Thorold
- W. Dick, Mayor, Niagara-on-the-Lake
- W. Dickson, St. Catharines
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PART 1 CONTEXT AND OBJECTIVES

CONTEXT AND OBJECTIVES

CONTEXT

The Region of Niagara has been experiencing an increasing rate of unemployment. A number of large industries have ceased operations in Niagara or carried out their expansions elsewhere. In 1979 the Regional Municipality made representation to the Provincial government to assist them in addressing the underlying questions of economic decline and to prepare an action programme for Regional economic development. The Province of Ontario lent its support and in June 1979 Terms of Reference for a study were prepared and sent to a number of consulting firms. On September 27, 1979 Woods Gordon was retained by the Economic Development Study Committee, on behalf of the Regional Municipality of Niagara, to prepare and submit the Regional Niagara Economic Development Study. The Terms of Reference were refined and incorporated into the approved Study Programme on September 19, 1979. The research, surveys and analyses for the programme were completed by December 1979 and submitted in the form of a Technical Report encompassing all of the background work in Phases 1 and 2 of the Study. The Final Report, the present document, encompassing the work set out in Phase 3 of the programme, is given over to recommendations for an economic development concept, a set of component development programmes, specific task priorities and a development vehicle or agency to actually implement the programme.

OBJECTIVES

The primary objective of the Study is to develop a series of economic development programmes to actively advance and promote the economic growth and overall welfare of the Region of Niagara.

To achieve this, the specific objectives of the Study were set out in the Terms of Reference as follows:

"A. An Analysis of Present Situation and Future Economic Prospects:

(i) An examination of the present economic situation including an analysis of the existing and projected labour force.

(ii) An accurate assessment of the kinds and levels of economic growth that the Regional Municipality of Niagara can expect over the next two decades.

(iii) Some assessment of the prospects for the major economic sectors represented in the Region, e.g. food and beverage, tourism, metallurgical, automotive, service, etc.

(iv) A survey of business, labour and government organizations in the Regional Municipality of Niagara designed to solicit the views of these organizations on the Region's future growth prospects.

(v) A major focus on the prospects and potential for economic development in that part of the Regional Municipality south of the Niagara Escarpment.

B. An Analysis of the Strengths and Weaknesses of the Region for Businesses and Industries:

(i) Identify the reasons why industries have or have not located in the Region in the past.

(ii) Identify industries and businesses to which this Region offers the greatest attraction.

C. Preparation of An Action Programme:

(i) Identify the business and industrial development strategies and actions necessary to attract new businesses and industries and also to keep our existing industries.

(ii) Develop an implementation plan for carrying out these strategies.

(iii) Examine and draw conclusions on the alternative business and industrial development roles open to the Region and its area municipalities (notwithstanding the existing legislative restrictions) within the implementation plan."

Source: Regional Municipality of Niagara (1979).

PART 2 THE REGIONAL ECONOMIC DEVELOPMENT PROGRAMME

THE REGIONAL ECONOMIC DEVELOPMENT PROGRAMME

INTRODUCTION

In this part of our Report we will set out our recommendations for the Regional Niagara Economic Development Programme. We will set the context by quoting and commenting upon the Region's economic development goals and related policies, as set out in the Regional Niagara Policy Plan (1978). We will then indicate some criteria which have gone into and influenced our formulation of an economic development programme for Niagara. This will be followed by an extensive set of recommendations on six (6) component programmes which will constitute the overall economic development undertaking. These recommendations cover both what should be done, and how the Region's development agency and other levels of government should go about it (i.e. the principles to be followed). The six component programmes are detailed in terms of the markets to be developed, the products to be "sold" and the process to adopted in terms of development, marketing and promotion. We then detail these programme recommendations further into over one hundred distinct tasks or actions to be undertaken. Finally, we conclude this part of the Report with our recommendations on priority tasks within the forthcoming three, six, twelve and eighteen months to launch and implement the economic development programme.

GOALS

The principal goals for economic development in the Region of Niagara are set out in the Regional Niagara Policy Plan (August 1978). The major objective and supporting policies adopted by Regional Council are set out below:

"Objective: To provide for expanded and more diversified employment opportunities for the residents of the Region through the encouragement of the manufacturing, tourist and agricultural industries.

Policy 5.10 The Region, in cooperation with the local municipalities, and subject to the necessary legislative authority, may establish industrial parks with necessary services and adequate transportation services in order to attract industry to the Region.

Policy 5.11 The Region will establish an industrial development committee which may:

(a) coordinate and complement local industrial development committees

(b) develop and manage, in cooperation with the local municipalities, Regional industrial parks

(c) explore measures necessary to reduce competition for industry among area municipalities (e.g. to rationalize existing industrial incentive grant programs)

(d) attract major new industries into the Region to help diversify the industrial base and provide regional employment opportunities.

Policy 5.12 Subject to the overall objectives of this Regional Plan, each local municipality should attract industries to provide local employment and for local convenience, in keeping with the character of the community.

Policy 5.13 The Region recognizes the importance of the "basic power users" to the Region and will support the continuation of their present locational advantages.

Policy 5.14 The Region recognizes the importance of the tourist industry to the Region and will cooperate with

agencies involved with the tourist industry to promote the tourist attractions and facilities in the Region."

While many other objectives and supporting policies in the Policy Plan influence the economic development goals (e.g. the preservation of prime agricultural lands, the support for a mid-peninsula transportation corridor to relieve development pressures north of the Escarpment), the objective "to encourage urban development south of the Escarpment" (see Section 5 of the Plan) is of particular importance. Associated with this objective of Council is the policy that "priority will be extended to the provision of Regional services in urban areas south of the Escarpment" (Policy 5.2, referred to the OMB). We interpret the southern areas as encompassing the urban municipalities of Welland, Port Colborne and Fort Erie.

These development objectives and the associated policies form the basic reference against which the findings and conclusions from this Study have been assessed. While many conclusions will, in their own right, indicate some deficiencies or development potential, the status of others have been interpreted on the basis of these Regional Municipal objectives and policies. We use these objectives and policies (a) to define the most appropriate development programmes for Niagara, given the identified development problems and potential, and (b) to set out the basic programme review and monitoring guidelines for the actual management of a finalized development programme. Our recommendations include revisions to the Region's stated objectives and/or policies.

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* From Regional Niagara Policy Plan, Office Consolidation, Regional Municipality of Niagara, August 1978.

CRITERIA

The principal criteria which should influence and guide the formulation of the overall development programme and which guide the specifics of recommended action are set out below:

1. The Region's own development goals, as set out in the Regional Niagara Policy Plan, indicate the basic economic development objectives of the Regional Municipality and must be pursued.

2. The conclusions from Phases 1 and 2 of this Study identify the principal economic problems and potentials in Niagara. These are set out in a series of summary statements in the Technical Report, and the Appendix of the present document.

3. Our identification and assessment of two realistic development scenarios for Niagara (see Appendix 1 of the Technical Report, Section 4.3), and our conclusion that the Region should adopt a development concept to (a) redevelop the tourism sector, (b) maintain and enhance the major industrial base, (c) promote smaller manufacturing industry, and (d) encourage selected activities in the services sector.

4. The particular development needs and potential of the Southern Areas.

FUNDAMENTAL COMPONENTS

Any and all initiatives in the overall economic development programme for Niagara fall under three (3) fundamental components, communications, promotion and development. The overall development concept and the associated programmes of action must be characterized by a fully fledged communications process. This ongoing activity will not only communicate the Region's resources and objectives externally, but equally important, it will go about setting up a comprehensive and systematic information, liaison and assistance system with the Region's resident industries. There is a great need for effective communication. This aspect of the overall programme must be particularly energetic and pervasive.

The Regional development programme must be characterized by an integrated, high quality and Regional promotion programme. This should be designed not only to redress the more negative elements of the Region's external image, but to display the diversity of tourism and recreation resources, to market the area's urban and rural resources and to display a unified image of a well managed and confident development programme.

Finally, the approach must be characterized by a an action-oriented and vigorous development programme. In this, concrete policies will be formulated and tangible projects will be undertaken and completed (e.g. the development vehicle, more serviced industrial lands, improved access). In this area a coordinated effort is required on the parts of all levels of government, especially Provincial and Regional, and on the part of departments within the Regional and Area Municipalities (e.g. public works, planning, finance).

THE REGION OF NIAGARA DEVELOPMENT PROGRAMME - SIX COMPONENT PROGRAMMES

The following will be the major component programmes of the Region of Niagara economic development programme.

- The Region of Niagara Promotion Programme.
- A Maintenance and Expansion Programme for Large Manufacturing Industries.
- The Small Manufacturing Industries Development Programme.
- The Region of Niagara Tourism Development Programme.
- A Services Sector Development Programme.*
- A Special Projects Development Programme.

* Concentrating on the Finance and Insurance and the Business Services sectors.

THE REGION OF NIAGARA PROMOTION PROGRAMME

The Region of Niagara Promotion Programme is a very important component of the overall Regional economic development programme, especially as it relates to the marketing elements of that programme. Within the overriding objective of bringing new business to Niagara, promotion activities should have two guiding objectives. First, they should project a positive, exciting and attractive image of the Region as a multifaceted, dynamic and successful business environment, now equipped with a well organized and aggressive economic development programme customized to businesses' individual needs. Second, they should serve to counter the negative elements in Niagara's external image, including the perception of Niagara's peripheral location and unsatisfactory development climate.

The promotion programme is much more than an advertising campaign or a brochure production and mailing programme. There are two (2) components to the programme: the articulation and production of a Regional image or images, and the actual development of a promotion process to incorporate the promotional effort into the overall marketing programme.

PRODUCT

The image, or more appropriately, the images, which Niagara should seek to project, are the "products" which are being marketed by the Region. They portray the range of assets (e.g. attractive physical environment, new business parks, prestigious private schools) and credentials (e.g. major industries currently resident in

Niagara) which the Region wishes to project to attain certain objectives which will be set out in specific development programmes for large industries, small industries, the tourism sector, selected office-based services, and other sectors.

It is, therefore, recommended that the images be directly responsive to and serve the specific objectives and potential clients of the sectoral development programmes (see below).

While a broad-based image of the Region as an attractive business and living environment will be required, the major effort in the promotion programme must be devoted to meeting the specific marketing objectives of the four (4) sectoral development programmes, i.e. two for the manufacturing sector, one for the tourism sector and another for selected services activities. The image or "products" to be marketed for each of these will be discussed in detail as we set out the principal guidelines (including marketing) for each of these programmes below.

The following recommendations are submitted as guidelines for the general image which the Region's promotion programme should develop further and project.

1. Niagara is a unique business opportunity, with something else to make it a real and profitable business proposition. It lies within the metropolitan regions of Toronto-Hamilton and Buffalo, without many "big city problems", has prime access to major Canadian and United States markets while providing its own sophisticated urban-industrial base, amid attractive rural and recreational environments. In addition to these locational, economic base and physical environmental advantages, the Region must project an image of a community which is (a) particularly serious about, (b) well organized for, and (c) earnestly receptive "to your business proposition". The image must display a compound of political commitment to, and business sector involvement and confidence in the regional economic momentum of Niagara. The image should be one to display Niagara as a realistic and exciting business proposition, while at the same time being a unique

and attractive community alternative for the businessman, his family, his colleagues in senior management and (if appropriate) his skilled labour force.

This image would not only be characterized in film, recorded commentary and print as an attractive, spacious physical environment (i.e. with outdoor activities and scenic landscapes), but also one where business (large and small) has thrived and where a particularly vigorous and receptive development climate now exists. The image would have to contain evidence of political commitment through action and disposition and the active influence of pragmatic businessmen in the actual development programme itself. The businessman should feel that not only can it work for him in Niagara, and that it would personally be a particularly attractive place to do business in, but that the community will do everything in its power to ensure that every possible roadblock is out of his way and that every possible inducement for the profitable operation of his business will be forthcoming.

2. The second general guideline for the overall image, which should be developed for Niagara's economic development programm, relates to a number of currently perceived disadvantages regarding the Region. In the main, these relate to (a) problems of labour/management disputes, (b) community conflicts in the fields of industrial development, urban growth, and the conservation of prime resource areas, and (c) the "appendage" or peripheral image of the peninsula in an Ontario setting.

2(a) The promotion programme should project an image of a Region with a long tradition of industry with all the resources which go with it, i.e. a skilled, stable and reliable labour force which has gone through the growing pains of unionization and industrial work discipline (e.g. shift work). This will place Niagara in a more advantageous light, for some industries, in comparison with more peripheral semi-rural locations. The availability of a substantial pool of semi-skilled and unskilled labour as well as a large female labour force should be displayed, together with the training institutions, programmes and practices already developed and expanding in the area (e.g. in Niagara College). The ability of small industries to thrive in the Niagara Region will be an important testimonial in this promotion. Cooperative efforts (on the part of unions and management) to reduce labour/management problems and to increase (a) the availability, and (b) the productivity of skilled labour would be very useful in this promotional effort. The reputation of the Region for a productive labour force should be highlighted.

2(b) Questions relating to the conflicts between the Escarpment, the tender fruit lands and urban industrial development should be addressed candidly. The negative external images of community conflict and political divisiveness are intertwined with the image of severe land use conflicts. It would be ideal if the Region could project an image reporting that (a) the complex and often contentious issues regarding these matters had been resolved, and (b) that unambiguous and realistic policies were now in place to enhance the harmonious management of the Region's resources while opening up a great variety of exciting new business development opportunities.

Businessmen must have the maximum security and the minimum of uncertainty. While Niagara can do little to reduce the businessman's uncertainties regarding the market, the cost of capital and other important variables impinging upon the success of his operation, it can and must project and give him the maximum of certainty regarding the development environment within Niagara. He must have firm and unambiguous public policy not only allowing him to choose among a number of locations, but to operate his business with the minimum of uncertainty regarding the conformity of his operation with surrounding land uses, the quality of services and the ease of expansion over time. The general image therefore must project a settled environment with resolved and clear-cut land development policies. This, in combination with evidence of a concerted, community-wide (i.e. Regional) economic development programme, will in itself dilute the negative image of political divisiveness and rancour.

The Region's promotion programme should stress that the sensitive fruit-growing area constitutes a relatively small proportion of the developable area, and that the scenic and economic advantages of neighbouring fruitlands is a desirable attribute of the area. In addition, and notwithstanding the high profile of many conflicts, the Region should promote the fact that industry and agriculture have in fact thrived in Niagara. There is room for both and the area is now more then ever ready to accommodate both.

2(c) The final negative image to be redressed relates to Niagara's geographic location, at the extremity of the Lake Ontario urbanized area. The peninsular location gives an image of uneconomic "doubling back" in transportation along the shoreline of the Lake from the St. Catharines/Niagara Falls area, by Hamilton, through Burlington and into the Toronto area as the market or transshipment point. The area's location deprives it of the nodality of Toronto, Hamilton or even Brantford or London.

Like so many other elements in Niagara's image promotion, the degree to which the negative side of its location can be

diminished will, in part, depend upon what positive actions to redress the situation can be reported and exploited. Highway, rail, trucking and harbour facilities, executive air services, better access to a better Mount Hope Airport and other developments should not only be pursued, but actively reported and highlighted to enhance the Region's image regarding accessibility. The number of firms within the Region serving the Central Ontario market should be broadcasted. The land-bridge role of the Region as a prime Canada/U.S. transportation corridor should be actively promoted, especially for firms with markets in the Northeastern United States and Southwestern Ontario. Likewise, the Region's high quality transportation services, combined with cheaper industrial land (compared to the Peel/Toronto area) should be promoted for firms with markets in Western Canada.

THE PROCESS

The promotion process, like the overall marketing process of which it is a part, will be very diverse. It has to be so because it must, as already mentioned, be client-specific. It will range from disseminating flyers and brochures to specific industries, travel agencies and other business groups, giving formal presentations and making proposals to advertising in journals and newspapers and "cold calls" on promising prospects. The overriding guideline for the promotion process should be that personal contact will, in the long run, be far more effective than almost any other form of promotion. In addition to this principal guideline, there are a number of other recommendations.

1. The entire emphasis in the promotion process should be upon creating the environment and working conditions to suit the client. Prospective industries, whether in manufacturing, finance, tourism operations or whatever, should not feel that (a) they are being sold a list of static, "given" advantages, and/or (b) that the emphasis is upon their operation fitting within the Regional Municipality's or anybody else's priorities. The promotion process should stress the Region's desire to fit circumstances around the client's requirements. The deal must be personal and customized.

2. The emphasis should be upon the client's operational requirements. All too often the Municipality's overriding concern to locate an industry is reflected in too great an emphasis upon locational considerations (e.g. water services, site size). Businesses survive or close up on the basis of ongoing, day-to-day circumstances, and not only upon the basis of locational decisions. If a client's day-to-day needs, in terms of such things as the security of garbage pick-up services, outside storage, seasonal labour volumes and the like, are not met, then an otherwise good location in terms of the price of land and access to markets may not make sense. The emphasis in promoting Niagara should be in the form of one "business" (the Region) making a services commitment to another business. The services provision with specific and agreed-upon "after sales service" commitments (e.g. date of road opening, clearing of adjacent sites) should be the distinguishing characteristics of the Region's marketing approach. The client should not feel that he is dealing with a realtor or with a civil servant who has purely service acreage or industrial/commercial assessment targets to meet. The approach should be one of partnership, based upon a formal proposal, a long-term relationship and the undertaking on the part of the Region to fulfill its part of a business services proposition.

3. The Region should be able to place a team at the disposal of a client. This team might consist of businessmen in the same industrial or commercial activity, real estate people, representatives of the financial community and other businessmen. While the Region must present a "one stop shopping" service for the client, with a customized package of information and a proposal to match his requirements, it must also facilitate confidential discussions and team input for the client as required.

4. The Region must use professional business development personnel in the promotion programme. These should have hands-on experience in business and have suitable qualifications in industrial economics, marketing, management engineering, facilities management, business administration and related fields.

5. The promotion process, besides displaying the locational, physical environmental, community amenities and other resources of the area, should use the present business community as a major promotional device. Large and small businesses should be requested to cooperate for testimonial promotion. Large industries should be used internationally to display the Region's advantages for such firms and to attract supplier and associated industries. Smaller firms should be vigorously employed to broadcast Niagara's "seedbed" record, the environment of "blue-collar entrepreneurs" and the ability of small businesses in Niagara to thrive in this environment.

6. One of Niagara's competitive advantages relates to the cost of serviced industrial land, as compared to land in Hamilton-Wentworth, Burlington and other parts of the competitive region. This advantage should not be lost. If through the lack of available serviced land, speculation or other developments the market price escalates the Region should consider entering the industrial land market to maintain Niagara's competitive edge.

A MAINTENANCE AND EXPANSION PROGRAMME FOR LARGE MANUFACTURING INDUSTRIES

The availability of large volumes of relatively cheap power and the strategic location of Niagara has meant that this area was extremely attractive to a number of large manufacturing industries. These include firms in paper and allied products, primary metals, metal fabricating, machinery, transportation equipment, chemical products and some food and beverage industries.

For many of these and other manufacturing industries in Niagara, the earlier locational advantages do not hold any longer. If they were setting up their operation today, it is reported that they would more than likely locate elsewhere. In addition, many firms are characterized by old, increasingly inefficient plants. With the growing liberalization of trade and the high cost of re-equipping their operations, many firms face uncertain futures in Niagara. In addition to these considerations there is a clear pattern in Niagara of relocated expansions. Many large firms, upon approaching a significant expansion in employment (e.g. an additional 50-100 jobs), have decided to locate their new operation outside of Niagara. The decision has been based upon their desire to keep personnel relations at manageable proportions

in terms of the absolute size of their work force in one plant. Another factor has been their desire to limit the impact of disputes to the immediate area of concern, and to avoid complete shutdown of their operation due to a localized withdrawal of labour. Finally, notwithstanding the evidence of periodic upturns in manufacturing employment opportunities in Ontario over the last decade (e.g. 71,000 new jobs in 1979), we anticipate increasing competition from Western Canada, the United States and the newer industrial economies (e.g. South Korea) over the 1980s. This will be compounded in Niagara's case, by increasingly severe competition among Ontario's municipalities for the available job opportunities.

In summary, therefore, and as noted in the Technical Report (see Section 4.3), there are many indications that the Region's large manufacturing base will continue to be a declining source of new job opportunities and may indeed undergo some contraction in the 1980s. The Region should take a positive, proactive position to constructively manage these possibilities and to work with these major resident industries to enhance the prospect of (a) their staying in Niagara, and (b) their concentrating their future re-equipping and expansion investments in the Region. This maintenance and expansion task is a fundamental component of the Region's economic development programme.

MARKETS

The following are our recommendations for the Large Manufacturing Industries programme as it relates to markets.

1. While the Region should not miss any opportunities to market its assets to some large manufacturing industries currently

outside of the area (e.g. overspill industries from Hamilton, more warehouse/distribution industries), the focus of its marketing effort should be upon nurturing and securing the present large industry base.

2. Particular attention should be paid to industries in relatively high growth sectors (e.g. those related to air transport, railroad rolling stock, pulp and paper and allied, non-electrical machinery and chemical industries), to ensure that any expansion plans are concentrated in the Niagara Region.

3. Those industries with less favourable growth prospects should be assisted in whatever way possible to allow them to withstand any declines in potential, to rationalize their operations and reduce unnecessary costs.

PRODUCT

In this instance the process is the product. That is, whatever constructive initiatives and assistance the Region makes available to these major industries will itself be the principal product which Niagara will be marketing to its domestic clients. If they are convinced of the Region's goodwill, if the assistance and cooperation is effective, then at least local obstacles to rationalization, stability or expansion will be cleared. The industries can then concentrate on those other factors (e.g. markets, cost of capital, offshore competition, corporate policies) beyond the Region's sway which will determine their local growth prospects. The Region's product in this case is the willingness and demonstrated energy to remove whatever local headaches (e.g. rezoning applications, servicing) or uncertainties which might constrain an industry's growth potential or cost reduction programme.

PROCESS

The economic development process in the Large Manufacturing Industries programme should be characterized by an informed climate of goodwill, concern and a partnership approach to maintaining the development momentum and exploiting new growth opportunities. The following are the basic guidelines which we would recommend for such a programme.

1. An important part of the public launching of the overall Region of Niagara Economic Development Programme should be a political statement of confidence in, and partnership with the Region's large manufacturing industries, their management and their workforce. There should be a public undertaking to work closely with them, to remove unnecessary development obstacles and to exploit new growth opportunities. The role of the large manufacturing industries in terms of jobs, occupational training, municipal revenues, community leadership and voluntary contributions, the image of the Region and the growth of a multiplicity of service industries, should be publicly acknowledged.

2. Senior management in Niagara and at corporate head offices should not only know of the Region's commitment to work with them in good and less favourable times, but should also have a clear-cut statement of the Region's development policies, programmes and constituent projects. The policies should provide clear-cut guidance on competing land development alternatives, especially those relating to the use of prime agricultural lands. Other factors to be spelt out would include the final responsibility for economic development in the Region and the Region's policies and phased programme for services provision, including the opening up of serviced industrial lands.

3. The Region should ensure that one person, an experienced industrialist, is assigned on a full-time basis to work with the area's 20-30 larger manufacturing firms. These firms should have a one-on-one relationship with this professional to reduce red tape and ensure a personal and efficient commitment to their welfare.

4. A liaison body or standing committee should be set up by the Region, with a rotating Chairman from the larger manufacturing industries. This informal group should meet 2-4 times a year to discuss common problems and seek general solutions. This liaison group would supplement the work of the formal economic

development agency set up for the overall Regional economic development programme, the one-on-one consultation process recommended in (3) above, and the normal representations of industry to Council or other bodies.

5. The Region should ensure that the development approval process at all levels in Niagara (i.e. Area Municipal to Provincial and Federal), is such as to expedite the healthy stability of larger industries, and to permit them to expand with a minimum of costly or unnecessary obstacles. While the development approval process should remain within the Regional Municipality, all development applications should (a) be accompanied by a recommendation from the economic development agency, (b) have a stated time limit for the approval process, and (c) involve a close working relationship between the industrial consultant (see (3) above) representing the industry and the current operations planning staff member making a final recommendation.

   It would further expedite the development process if expansion and/or relocation sites could be identified ahead of time by the Region, designated as such, zoned and approved for industrial activity. This would effectively eliminate most of the contentions development application-to-approvals process when expansion/relocation action has to be undertaken by industry*.

6. There is an urgent need for a better, up-to-date and comprehensive economic information and intelligence base. This should be developed to pay particular attention to providing management in the Region's larger manufacturing industries with current data on (a) available and forthcoming serviced industrial land by location, price, block sizes, quality, ownership, zoning details and adjacent uses, (b) labour force developments in terms of training, graduation, locations, lay-offs, wage rates and experience, (c) recent developments in the industrial sector such as new product lines, plant expansions and new senior personnel, and (d) major Regional policy decisions, positions and forthcoming capital works and other developments.

7. The Region should, as part of its partnership approach, work jointly with industry to make representations to the Federal and Provincial governments or their agencies. The Region should actively encourage a more active role for the local Federal and Provincial representatives. Issues which might be

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* While we are strongly recommending the most efficient and trouble-free approach to the development applications-to-approvals process, we are not suggesting that industry or commerce have a "blank cheque" to override environmental concern and constraints or the Region's social and other policies. Mismanagement of the physical environment or degradation of prime (public) resources for short term private gain, should never be tolerated.

jointly pursued include the future use and development potential of the Welland Canal, the availability of skilled labour and remedial programmes, the structure of financial assistance for industry, highway and other transportation developments, environmental issues and air services.

8. The quality and security (i.e. time availability) of water and sewage services is of considerable concern to the Region's industrial residents. The Region should (a) broadcast its water and sewage programme by phase, location and timing, (b) ensure through personal contact that any and all current servicing problems are known and solved immediately, and (c) determine the exact servicing implications (needs) of the larger industries' expansion and rationalization plans.

9. Besides problems in environmental management and conflicting land use priorities, there is evidence of some conflicts between the tourism sector and the manufacturing sector. The Region should address this immediately. Questions regarding the availability of an adequate industrial water supply in July-August in the Niagara Falls area should be resolved. The dislocation which some industries undergo due to the competition for the unskilled, young labour force in the short (4-month) tourism season, should also be addressed.

10. One of the major concerns regarding the future of manufacturing industry in Niagara, and in every other industrial region in Ontario, is the availability and cost of skilled labour. Niagara's old industrial tradition has assured it a considerable supply of, and reputation for, a skilled and productive labour force. This advantage must be secured by ensuring an adequate supply of high quality labour over the 1980s. All industry, new or old, large or small, will be influenced by this factor.

    The Region should set up a Manpower Development Committee with local industrialists and commercial representatives. Niagara College and Brock University should be represented on this Committee as should representatives from the Federal manpower office, senior personnel from the Provincial Ministries of Labour and Industry and Tourism and representatives from organized labour in Niagara. This Committee, as an advisory body to the Region's economic development agency, should prepare manpower forecasts in terms of supply and demand and prepare an integrated programme to ensure an adequate supply of skilled labour in the Region over the 1980s. A first task of this Committee should be: (a) to assess the profile (age, skills, training) of the Region's labour force today, and (b) to prepare a comprehensive inventory of concerns (e.g. shortages, surpluses, inadequate skill specifications, the accreditation process, wage rates and "job hopping"). The inventory of skills, the forecasts and a comprehensive

manpower development programme (e.g. training, inter-industry cooperation, extended co-op programmes) should be one of the higher priority assignments of the Region's economic development agency and will be a key element in its promotion and marketing programme.

11. As in the case of the Small Manufacturing Industries Development Programme, the Region should increase the volume of serviced industrial land. The current shortage of land must be made good in the near future. The serviced land inventory must remain competitively priced, have a variety of sites in terms of location, size, quality, zoning (i.e industry types) and exposure (e.g. on a highway). The present large manufacturing firms must have room for expansion, if not at their present sites, at least in other parts of the Region. The provision of a number of large blocks of serviced (or readily serviced) industrial land should be encouraged, to accommodate new large industries or major relocations of resident industries.

12. The Region should ensure that the various Provincial and Federal industrial assistance programmes are widely broadcasted throughout the area's industries. These expanded programmes, assisting management in marketing, data processing, financial planning and control, labour force training, expansion and re-equipping and other areas, should be brought to the attention of Niagara's industries from time to time.

A SMALL MANUFACTURING INDUSTRIES DEVELOPMENT PROGRAMME

The Region of Niagara has recorded some success in attracting a variety of small industries and in providing a conducive environment for these to prosper in this part of Ontario. Likewise, Niagara appears to be a "seedbed" for a variety of indigenous small industries which have started up operations over the last decade to serve major local industries and markets beyond the Region. The area has some very real advantages in terms of (a) a demonstrated record of growth in this area, (b) the presence of a large manufacturing industrial base, (c) the availability of a diverse industrial labour force, (d) a variety of relatively cheap housing, and (e) distinct environmental and community lifestyle and amenity assets to attract the owner/managers of small businesses.

In addition to these considerations, smaller industries (especially those in the under 20 employees range) are a major force in manufacturing expansion in Canada and Ontario. Most manufacturing industries are small, they account for the greater part of employment, output and most important, the overall growth in Ontario's manufacturing sector. Because they are small, their requirements for accounting, graphics, legal and other services are likely to be met by sources external to their own firm. They have, therefore, a higher propensity to spin off new job opportunities in the local business services and related sectors than do larger, more self-sufficient firms with extensive external (to Niagara) service connections. Finally, the key decision makers in smaller industries are the owner/managers. They are not senior executives of somebody else's company. Their personal and family preferences regarding lifestyle, community values and amenities, educational and recreation opportunities and similar factors can have a much greater impact on where their industry locates. For these, and all the reasons listed above, smaller industries are and must continue to be of prime importance to Niagara and should form a focal point for much of the Region's economic development programme in the 1980s.

MARKETS

The markets for Niagara's economic development programme for smaller industries can be identified from (a) the present profile of small industries now operating successfully in the Region, (b) the prospects for higher growth in certain industries than in others, as identified in the Technical Report, and (c) innovative approaches to selling the area as the location for small industry in general. The following recommendations are set out:

1. The Region today has a great variety of small industries including those in metal fabricating, food and beverages, non-metallic minerals, wood industries, printing and publishing, machinery production, miscellaneous manufacturing, transportation equipment, primary metals and chemicals. In terms of building upon the success of this base, the Region as a minimum, should pursue industrial development prospects in these areas.

2. In terms of growth potential, the Region should focus much of its marketing effort on small industries in and serving a selected number of higher growth industries previously identified (see the Technical Report, Appendix 1, Sections 3 and 4). These include those industries related to air transport, railroad rolling stock, pulp, paper and allied industries, non-electrical machinery, alcoholic beverages and chemical industries.

3. The 1971-79 growth record of new industrial establishments in Niagara would suggest that the Region has been particularly attractive to and should continue to pursue, industries in the metal fabricating, wood products, transportation equipment, food and beverages, non-metallic minerals, primary metal and chemical products areas.

These then, based upon past experience and future prospects, are the major industrial groupings toward which Niagara should be directing its small industries marketing programme. In addition to these, the Region should be on the lookout for (a) new products and industries developing on the horizon, and (b) industries which have strong materials, components and services linkages with those industries previously mentioned.

PRODUCT

As with other component programmes, the Region's product should be a mixture of (a) credentials based upon what industry is already in the area, (b) credentials based upon the record of growth, (c) advantages based upon particularly relevant resources (e.g. serviced land) in the area, and (d) advantages to the businessman based upon

amenity and social considerations. Based upon these and other considerations, a series of product recommendations can be made for this component programme.

1. The diversity of the Region's present base of smaller industries should be highlighted, together with the growth (in terms of numbers and expansions) of this base since 1971. This is Niagara's key credential for smaller industries. Niagara is and has proven to be a good place for small businesses.

2. The present base of larger industries should be displayed as evidence of a successful industrial environment, but more important, as evidence that (a) small and larger industries develop harmoniously in the Region, and (b) the latter provide a substantial client base for the former.

3. The Region's skilled labour resources and the pool of semi and unskilled labour should also form part of Niagara's product for smaller industries. Small industry is extremely vulnerable to skilled labour shortages or even short-term disruption in supply. The Region should ensure that the publicity associated with the number and variety of smaller industries currently operating in the area, is accompanied by evidence of skilled labour force in these industries. Any reported cooperative initiatives such as employee sharing or training between the larger and the smaller industries, would be an invaluable promotional asset to the Region. All programme efforts by the Region's economic development agency to increase the availability of skilled labour force should be highlighted in this aspect of product development.

4. Given the burden which land costs can place upon smaller industries, especially in difficult cash flow conditions of the start-up phase of growth, Niagara's programme for smaller industries should (a) ensure, and (b) publicize the availability of high quality, competitively priced serviced industrial land. At present, the Region has some distinct advantages in terms of price. There is, however, a shortage of serviced industrial land sites. A key component of the overall industrial development programme (i.e. expansion room for large industries, a variety of quality choices for smaller industries) for Niagara must be the expansion of the area's serviced industrial land inventory. The inventory should be such as to provide, not only a good absolute supply, but a variety of sites in terms of size, location, present industrial mix, exposure (e.g. on highway) and cost. In this regard, the Region should be cognizant of, and provide for, the range of industrial park types from heavy industrial estates (e.g. for large servicing demands, some noxious industries, large outside storage components) to campus-style

industrial parks (e.g. for "clean", high technology industries such as some engineering firms, electronics, pharmaceutical and printing/publishing industries).

Given the Region's policies to stimulate growth in the southern parts of the Municipality and the extent of development potential indicated by the present Study, the Region should ensure that the Welland, Port Colborne and Fort Erie areas have a particularly competitive position in terms of the cost, variety, accessibility and especially the timing of their serviced industrial lands.

5. Choice is critical to the successful operation of smaller industries and the personal preference of the owner/manager. Some smaller industries like to locate in a mature, vibrant industrial city such as St. Catharines. Others like smaller industrial centres such as Welland, while many small industries favour a rural or "greenfield" setting with a minimum of development. Niagara has a great variety of choice in this regard and should market, as a central component of its product to smaller industries, the array of environments available to an industrialist and his family throughout the Region. Combining this with the ease of movement within the Region and an aggressive programme of industrial park development, Niagara's product to the smaller industrialist should be very attractive.

6. The relationship between Hamilton-Wentworth and Niagara should be exploited. The Region is part of a geographically extensive economic area, based upon the primary steel industry in Hamilton, which has specialized in primary metals, metal fabricating, non-electrical machinery, and transportation equipment. A location in such an area of complex inter-industry linkages and markets provides small industry with (a) unique market potentials, (b) an array of external support services which they require, and (c) security in the diversity of clients concentrated in a relatively small area. The Hamilton/Niagara relationship should therefore, make up part of the product which the Region places before many smaller industries.

7. To improve the climate of confidence and security, so critically important to smaller industries, the Regional Niagara Economic Development Programme should be widely publicized and placed before smaller businesses. In addition to being part of the overall promotion programme, the distribution of the overall development programme's policies and committed activities specifically designed for smaller industries, will constitute part of the Region's product. The programme will demonstrate not only the political commitment to smaller industries, but will set out (a) the industrial parks being prepared for them, (b) the intergovernmental team and development agency

officials ready to assist smaller industries, (c) the manpower training, development and intelligence system, and (d) several other tangible and pragmatic undertakings indicative of the Region's sensitivity and commitment to smaller industries.

8. Besides the advantages of a variety of industrial environments through the Region's diverse urban and rural settings, the Region should market the social, and especially the family, benefits of locating in Niagara. These include the overall lifestyle and relatively unpressured environment in Niagara, as well as the quality of schools (e.g. Ridley College), hospitals, recreation facilities, and the variety of relatively cheap housing. These family related advantages should be bolstered by the physical environmental assets of the Region as they relate to scenic beauty, hiking, cross-country skiing, sailing, tennis and golf. The cultural facilities and services (e.g. the Shaw Festival, symphony orchestra) available to an industrialist, his family and friends should also be highlighted as desirable elements in the Niagara product for the smaller businessman.

PROCESS

The development process for small industries in Niagara will, in many respects, be similar to that for larger industries. There are important differences in emphasis however, and they relate to (a) projecting the image of the Region as a realistic alternative to other locations with the emphasis upon the security which Niagara offers, (b) the track record to date, and (c) the special status and position of smaller industries in the Region's economic development policies and programme. Under these general guidelines, we have set out a series of recommendations for the development process.

1. Political commitment to accommodating and encouraging smaller industries should be made publicly at the outset of the Region of Niagara Economic Development Programme. The role and contributions of smaller industries to the Region's welfare (e.g. employment, municipal revenues) should be publicly acknowledged.

2. Senior management in the Region's industries should be canvassed for their services requirements and especially for any gaps or difficulties which could be made good by new industries being brought into the area.

3. There should be a separate and distinct brochure and marketing package (e.g. flyers, audiovisual aids) for smaller industries. These professionally prepared materials should be customized to address the principal concerns and priorities of smaller industries.

4. Many smaller industries are not used to or cannot afford to hire consultants or real estate firms to carry out a locational analysis for them. They depend, to a very great degree, upon the services and advice of local real estate firms. The Region should ensure that the real estate services sector and the industrial development industry in Niagara is fully appraised of the policies and programmes of the development plan. The approach should be one of developing and utilizing a diverse intelligence network to sell the Region and especially its commitment to smaller industries and the specifics of its initiatives to cater to the needs of smaller industries.

5. There should be at least one person in the Region's economic development agency with sole responsibility for smaller industries. Responsibilities here would not only include facilitating the growth and expansion of the area's resident smaller industries, but also encouraging and assisting other smaller businesses to come into Niagara. The person(s) should be a recognized and competent industrial specialist and have a one-on-one relationship with his (their) client industries.

6. Testimonial evidence from resident small industries on the advantages of doing business in Niagara, will be a very important component of the process. This will be especially true of testimonials from (a) firms with a widespread reputation, (b) very small firms (e.g. 5-10 employees), and (c) firms which have undergone considerable expansion in the recent past.

7. As with larger firms, a liaison body or standing committee of smaller industrialists should be set up. With a rotating Chairman from the resident smaller industries, this body should meet 2-4 times a year to discuss common problems and seek general solutions. This group would be an advisory body to the formal economic development agency and would supplement its efforts.

8. As with the larger industries the Region should ensure that its and the area Municipalities' development approval processes, as well as those under Provincial and Federal powers, are such as to expedite the expansion of smaller industries in Niagara and actively encourage new industrial enterprises. The reasons for the various steps in the process should be made clear to all applicants. All development approval applications should (a) be accompanied by a recommendation

from the small industries consultant through the official economic development agency, (b) have a stated time limit for the approval process, and (c) involve a close working relationship between the industrial consultant (see 5 above) representing the industry and the current operations planning staff member making a final recommendation.

As recommended for the large manufacturing industries programme, the Region should try to complete all preparatory approvals ahead of time. The degree to which all or most elements in the development application-to-approval process (e.g. policies, zoning, other standards) can be completed well ahead of an industrialist's decision to locate in an area, will greatly expedite the process, reduce "red tape" and associated aggravation and enhance the competitiveness of the Region as a whole.

9. The economic development information and assistance data base is of particular interest to smaller industries. Besides the regular provision of current data on serviced industrial lands, labour force availability and developments, recent local industrial developments (e.g. new products) and Regional policies and development initiatives, the economic development agency should ensure that a comprehensive package of programmes for financial, labour force recruiting and management consulting assistance is prepared and distributed to smaller industries. This package should not only provide details on, and persons to contact regarding the Ontario Development Corporation, the Employment Development Fund, Federal programmes and the Federal Business Development Bank (FBDB), but should also offer to set up with the industrialist a step-by-step partnership through the applications process. The client should perceive that (a) the feasibility of his project will be candidly and thoroughly attended to, and (b) all and any sources of assistance (especially financial) will be fully and competently explored.

10. A reliable, and in many instances, a skilled labour force is of critical importance to small industry. The recommendations set out regarding the setting up of a Manpower Development Committee are of special import to small business in Niagara. The Region should ensure that (a) small industries are adequately represented on the Committee, and (b) the Committee's programme of research, information gathering and advice to the economic development agency are sensitive and respond directly to the needs of smaller industries.

11. Reflecting part of our recommendations in the general process of the Promotion Programme, it is recommended that the Region constitute various teams of local businessmen in small industries, realtors, bankers and others. These informal groupings could be called upon to assist a prospective

industrialist. The economic development agency's industrial specialist would set up confidential meetings and briefings as required.

12. The key role of indigenous industry should not be overlooked. Niagara has apparently presented a very conducive environment for a number of local entrepreneurs to set themselves up in business. This asset should be built upon. All the services and development policies and inducements available to small businesses currently in or coming into Niagara, should be made equally available to local entrepreneurs resident in the Region who wish to try a new venture. There should be active encouragement through political commitment, publicity and a one-stop service office for local entrepreneurs. Matters relating to the size of present markets for a new product or process, the availability of key skills, patents, contacts in the financial community, Federal and Provincial support programmes, potential partners, marketing, accounting and other management courses (e.g. from Brock University or Niagara College) and other aspects of business development should all be addressed by a specialist from the economic development agency.

THE REGION OF NIAGARA TOURISM DEVELOPMENT PROGRAMME

Tourism is one of the major underpinnings of the entire Regional economy. In 1973 approximately 17 million visits were made by tourists to this world renowned area. The area has a huge capital investment in tourism and related recreation facilities, largely concentrated in the Niagara Falls and the Niagara-on-the-Lake areas. Niagara's concentration of employment in the food and accommodation sector is nearly twice that of most municipalities in its competitive environment.

As noted in the Technical Report, there has been some recent stagnation in the growth of visitor volumes. In addition, there are opportunities and challenges to lengthen the duration of visitors' stay in the area, diversify and integrate more Region-wide attractions and lengthen the somewhat short (4 month) tourism season.

MARKETS

At present, the United States and Ontario are the major markets for visitors to Niagara. The Niagara Falls area itself is a major stop for international visitors. With the increased competitiveness of Canada as a vacation and touring opportunity, and the continuing rapid growth in international travel, it is likely that Niagara will face increased opportunities in international markets. At a more local level, the impact of increased gasoline prices (or rationing) is uncertain. A number of market recommendations are set out below.

1. The Region should continue to ensure that Niagara, as a whole, in addition to the Niagara Falls area, is publicized internationally as a major and easily accessible attraction.

2. Major international markets for Niagara's promotions should be Japan and Europe, especially Germany and Britain and the United States.

3. Major Canadian markets should be Alberta, British Columbia, the Maritimes and Ontario.

4. Within Canada, Niagara's product should be aimed at a number of sub-markets including:

   (a) mature families concerned with educational/ recreational vacations and outings,
   (b) industrial, business, agricultural, and professional groups with the potential for mixed business/pleasure functions in the Region, and
   (c) independent individuals with discretionary time and income for impromtu weekends or short vacations.

PRODUCT

At present the Region's principal product is the Niagara Falls. Other products include the Shaw Festival, Marineland and a number of vacation areas and events in the summer season. Based upon our analyses to date, and the summary conclusions regarding development

opportunities outlined above, we have a number of programme recommendations for product development.

1. The emphasis in marketing Niagara's product should draw upon the mixture of fun, cultural and historical interests, scenic wonders, sunny, clean open spaces and uniqueness in this Region. This variety reflects the broad base of opportunities which has already served to make Niagara a recreation area of international repute, and which will continue to attract a diverse client group.

2. The product should raise the profile of a number of new and exciting attractions throughout the Region, quite distinct and geographically removed from the Niagara Falls image and area.

3. The product should lay increasing emphasis upon spring and winter and other off-season events and opportunities. These should include festivals and similar events, as well as outdoor recreation (e.g. cross-country skiing) programmes. The possibility of one major event to focus visitor attractions and publicity in the present off-season (in, for example, February) should be actively explored.

4. An integrated package of recreation and/or recreation/cultural opportunities should be marketed. Scenic winter travel routes should be mapped out, posted and publicized in tandem with end-point recreational events, festivals (e.g. a winter wine and food festival) and cultural programmes in various centres throughout the Region. There is a need and an opportunity to "open up" the rural and small town interior of the Region for scenic tours, outdoor recreation and other activities. The present major historical and cultural centres (e.g. Niagara-on-the-Lake, Fort Erie) could still retain their roles as destination sites. Farm vacations, scenic drives, fishing, sailing and cultural events could be marketed as a family package, drawing the weekend or vacationing visitor group through many parts of the Region.

5. New elements in Niagara's tourism product might include, in addition to more special events and festivals, the following:

   - Development of tourist facilities providing for winter time activities (cross-country skiing, snowshoeing, etc.) as well as support facilities catering to participants (restaurants, lodges, hotels/motels, etc.).

   - Development of a parks system integrated with the unique historical resources of the area (e.g. a linear park system, with bikeways, along the route of the old Welland Canal, as is currently being promoted by the Welland Canals Preservation Society). This could coincide with

Parks Canada's interest in developing multi-use for the Welland Canal lands.

- The development of tourism attractions sponsored by the various industries or utilities resident in the area (e.g. a Niagara Wine Museum, operated jointly by the various wineries resident in the Region, or an industry-technology museum, showing the early history of, say, power development in the area with interactive display facilities like those in the Ontario Science Centre).

- The development of rural conference centres, or 'retreat areas', for use by business development concerns, interest groups, etc.

- The sponsorship of additional 'festival type' events (e.g. 'Old Tyme Niagara Days'). This could be used as an ideal vehicle with which to increase winter tourism in the Region (e.g. in carnivals, winter festivals).

- The upgrading and expanding of existing facilities.

- The identification and development of new tourist-related developments in appropriate areas. (One such area that is currently being examined in this regard is the Niagara Tramway which is being proposed by York-Hannover Developments Ltd. This project, consisting of a tramway across the Niagara Gorge at Niagara Falls, would permit easier travel between the Convention Centre located in Niagara Falls, New York and accommodation facilities on the Canadian side. Another such opportunity, which was mentioned in the interviews, was the possibility (probably remote) of a casion development at Navy Island in Niagara Falls).

- The development of an "Energy Science Centre" with full audiovisual and other displays, films, models and hydroelectric models capable of manipulation by children.

- Other elements might include "Pioneer Banquets Days" in Fort Erie and Niagara-on-the-Lake, set within authentic 17th-18th century settings, cuisine and entertainments.

The Region should actively encourage the entire community to contribute to and, where possible, participate in such new developments.

PROCESS

The process adopted from Niagara's tourism sector should be aggressive and developmental, designed to move beyond dependency upon a small (if spectacular) set of resources which the community has inherited and exploited for some time. It should be set out to diversify the resource base, involve all parts of the Region, extend the season and the length of stay and anticipate and exploit new consumer tastes and preferences.

Structure

1. There should be a centralized tourism development office responsible for the development of a tourism programme, its implementation and ongoing service to visitors, businessmen and the Area Municipalities.

2. A specialist with professional experience and other qualifications should be retained full-time to prepare and direct the Region's tourism development programme. This person should interact very closely with all tourism interests throughout the Region and have close ties with other interested parties (e.g. downtown revitalization groups).

3. As with the two groupings in the manufacturing industry sector, a liaison body of businessmen and others active in the tourism sector, should be set up. This informal group should meet 2-4 times a year to discuss common problems and general solutions. With a rotating Chairman from the business community, this important group should supplement the work of the overall economic development agency and the one-on-one consultation process carried on by the director of tourism development (see 2 above). The body would be advisory, but would be the principal vehicle for preparing and supervising a research programme and for preparing the proposed development programme.

4. Because of the high profile and interests of the Federal and Provincial governments in Niagara, the Region should ensure that it is fully represented at and actively supports any representations made to these levels of government. The Federal and Provincial elected representatives for the area should be closely involved in all aspects of tourism development, especially intergovernmental discussions. There are several issues which might be the subject of discussion

and respresentations, including the future development of the Welland Canal for recreation and tourism, exploiting the potential of the Niagara Escarpment, more support for present tourism facilities, designating Niagara as a tourist destination for international visitors, aside from its general designation as part of "Festival Country", initiatives to turn the historical resources into more active, year-round recreational facilities, the development of hiking, skiing and other trails and routes and many other matters.

Development Actions

5. The director of tourism development, with the cooperation of the liaison committee, should prepare a development programme. In order of priority, it should consist of the following actions: (a) a facilities and services inventory, (b) addressing all outstanding development and operating concerns (e.g. parking) through remedial measures, (c) the carrying out of a comprehensive visitor survey in summer 1981 and analysis of the results, (d) a critical assessment of the Woods Gordon recommendations pertaining to markets, product and the development process, (e) the articulation of goals, objectives and targets for tourism in Niagara, from input from the tourism operators.

   From these actions a detailed tourism plan for Niagara should be prepared and implemented. The plan should detail all programme elements, projects, visitor and income targets, responsibilities and budgetary requirements.

6. The Region should ensure that there is the maximum integration between (a) tourism recreational facilities and services, (b) cultural facilities and services, and (c) local or community recreational facilities and services. The intent here is not only to achieve economies of provision and to provide a package of opportunities to the tourist, but also to integrate further the small urban centres into the tourism industry.

7. As part of the integrated Region-wide approach to tourism development, the Region should encourage a network of links (scenic and interest routes) and nodes (urban centres). The tourism nodes would be the foci of special events, facilities and services.

8. The Region should prepare a full list of localized problems (e.g. zoning problems, parking, declining visitor volumes) inhibiting the smooth operation of tourist facilities and services and develop an action programme to solve these as soon as possible.

9. The Region should ensure that the development approval process at all levels in, and relating to Niagara (including Federal and Provincial interests), and is as smooth and efficient as possible. The emphasis should be on one of facilitating the expansion of high quality tourism facilities with the minimum of delay in unnecessary, costly obstacles. Development applications should (a) by accompanied by a recommendation from the director of tourism development through the economic development agency, (b) have a stated time limit for the approval process, and (c) involve a close working relationship between the tourism development director and the current operations planning staff member making a final recommendation.

10. The Region should vigorously encourage and press the Area Municipalities to have all run-down and substandard tourist lodgings and associated commerical facilities, upgraded or demolished.

11. The Region should inaugurate the "Tidy Towns" type contest among the smaller urban centers in Niagara. The programme could be combined with Ontario Main Street or heritage programmes. The intention would be to ensure a high standard of attractive and varied urban places for weekend and other visitors. It would reinforce the strategy of developing a linked series of festivals and other events throughout the Region.

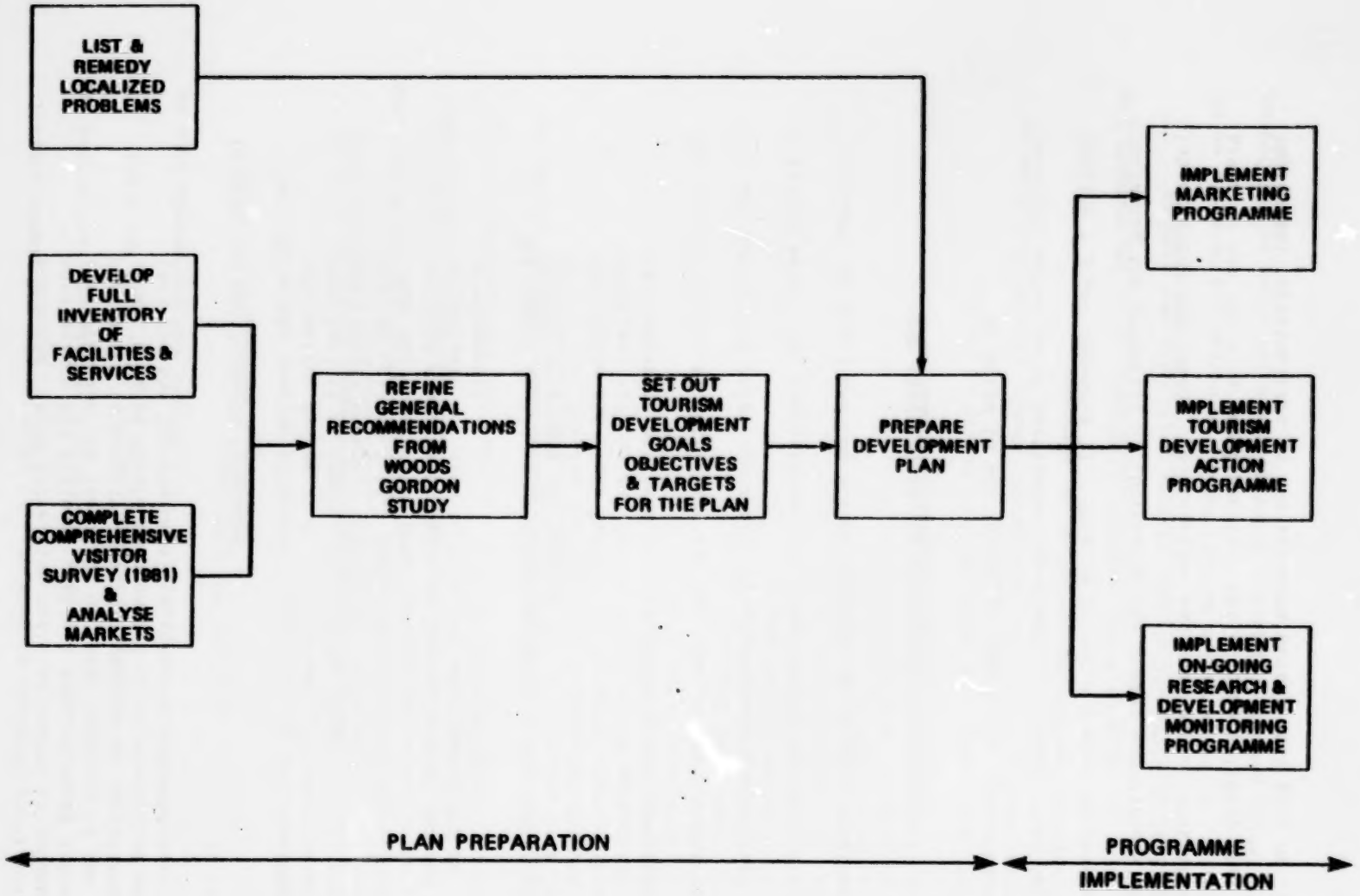
Marketing Programme

12. The Region of Niagara should be developed and marketed as a unit. The approach should be to develop and present a diversity of interrelated attractions for the visitor throughout the year.

13. The Region should, as part of its general Promotion Programme, publicize among the residents of Niagara, the role of tourism in the local economy. This part of the public education process should set out clearly the benefits to the community (e.g. jobs, municipal revenues, local recreation facilities) and the necessary input and costs (e.g. some conflict with community objectives and industrial operations).

14. The Region should have a high quality brochure, audiovisual kit and other marketing and promotion aids prepared to publicize the attractions, facilities and the tourism development policy of the Region.

15. The Region should encourage further visitation by the Toronto region market. Besides general promotion campaigns among the business community in the Toronto area, the Region should seriously examine the market for cottages, rented or


LIST & REMEDY LOCALIZED PROBLEMS
DEVELOP FULL INVENTORY OF FACILITIES & SERVICES
COMPLETE COMPREHENSIVE VISITOR SURVEY (1981) & ANALYSE MARKETS
REFINE GENERAL RECOMMENDATIONS FROM WOODS GORDON STUDY
SET OUT TOURISM DEVELOPMENT GOALS OBJECTIVES & TARGETS FOR THE PLAN
PREPARE DEVELOPMENT PLAN
IMPLEMENT MARKETING PROGRAMME
IMPLEMENT TOURISM DEVELOPMENT ACTION PROGRAMME
IMPLEMENT ON-GOING RESEARCH & DEVELOPMENT MONITORING PROGRAMME
PLAN PREPARATION
PROGRAMME IMPLEMENTATION

THE REGION OF NIAGARA TOURISM DEVELOPMENT PROGRAMME

purchased. With increasing costs of travel by automobile, a more mature and affluent regional population of 4-5 million in the 1980s and the inability of large segments of the population to acquire their own cottage in the northern lakes areas, Niagara should be promoted as an accessible vacation land for the Toronto-Hamilton regional population.

Information and Research Programme

16. While the tourism office will generate its own comprehensive information system (i.e. hotel rooms, occupancy rates, visitor profiles) it is imperative, and the Region should ensure, that the overall economic development information base includes tourism-related data. Such items as available inner-city sites for hotel/motel developments and labour force profiles would be examples of data required to assist current tourism operations, but also to plan for and promote future developments.

17. The Region should ensure that the tourism office carries out an ongoing programme of research (in cooperation with Brock University, Niagara College, the Ministry of Culture and Recreation and Parks Canada) on changing visitor flows, profiles, origins and destinations, spending habits, participation patterns, return patterns and preferences.

The list of principal activities for the tourism development programme are set out in the chart opposite. They have been generalized into two activity sets. The preparation of a plan (including the remedying of localized concerns) and the actual implementation of a programme.

THE SERVICES SECTOR DEVELOPMENT PROGRAMME

As noted in the Technical Report the office-based services sector is of particular importance to Niagara (see Appendix 1, Section 2.3 and Appendix 3). This is so for a number of reasons, including the potential of increasing the number and variety of female labour force employment opportunities and the support that this sector gives to central city developments. While it is unlikely that future employment opportunities in the services sector will grow as fast as

recent rates (because of productivity improvements and slower overall economic growth), this sector will remain a particularly attractive and buoyant area for economic development efforts. As with the other sectoral development programmes we will set out our recommendations in terms of markets, products and processes.

MARKETS

The principal markets for Niagara should be in those sectors which have recorded growth over the last decade and which, from our surveys, have found the Region a conducive location to do business. These are the Finance and Insurance sectors and the Business Services sector. Specifically the following office-based services industries have been identified:

- Insurance
- Banking and Finance
- Brokerage Firms
- Accounting Firms
- Consulting Engineers
- Management Consultants
- Planning Consultants
- Communications Firms
- Real Estate Firms
- Computing Firms
- Mail Order Outlets
- Quantity Surveyors
- Industrial Design and Graphics Offices

Regional government and, with the possibility of further decentralization, Provincial government, should also be considered as major services activities for marketing purposes.

As with every component programme, it is recommended that the present services sector base receive particular and ongoing attention. Attempts should be made to (a) encourage the bringing on of the currently planned commercial floorspace (in the order of 351,500 sq.

ft.), (b) encourage the location of some office-based functions of the Region's manufacturing industries in major downtown office concentrations, and (c) pursue further regional or corporate head offices through contacts from the Region's business community.

The Region's target clients in the services sector should be concentrated in those services industries which can (a) find Niagara a reasonable location to serve a local market encompassing Niagara and surrounding areas, and (b) those industries which, because of the personal preferences of the owner/entrepreneur and the extensiveness of his or her markets (e.g. all of Canada or North America), have considerable discretion in the location of his or her operation.

PRODUCT

Regarding the product to be marketed, we have a number of recommendations:

1. It is recommended that the principal products which Niagara sells in the marketplace focus on overcoming a relatively underdeveloped image as a feasible location for office-based services industries. The Region's external profile is dominated by tourism and major heavy industrial images. Niagara must project the image of a sophisticated, urbane environment of big city advantages and services. In this regard, the current offices concentration in St. Catharines and the Region's major downtown areas should be vigorously promoted. The energetic efforts of downtown improvement associations, the business community and the general public should also be highlighted, together with the recent volume of development activity as evidence of a positive environment and widespread momentum in this sector. This will help put Niagara in the area as a legitimate option for corporations and the development industry.

2. It is recommended that the second element in product development should consist of highlighting the quality of life attributes of the Region. These include the variety of recreational opportunities, attractive physical environments, a range of urban settings (from small villages, lakeshore areas and old towns to major cities), cultural facilities and programmes and

a variety of relatively cheap housing opportunities. The associated promotion programme for this sector should focus on the personal preferences and discretionary factors in a manager's or entrepreneur's locational decision making process. It should involve access to schools and theatres and to sailing, skiing, hiking opportunities, as well as shopping in attractive old downtown settings and other benefits of working and living in the Region.

3. The third element in Niagara's product development should consist of improving the accessibility image of the Region. This, like all other promotional efforts, can be much more successful if in fact tangible developments to improve the highway network, telephone and telex communications and other dimensions of the Region's accessibility, can be displayed. Access to Mount Hope Airport must be improved. Businessmen need a more complete flight service schedule at this airport. Two long distance telephone areas within the Region do not help the area's competitiveness. Difficulties in driving to Toronto must be addressed. The Region's product in the area of the services sector should not only exploit success to date, the momentum of growth and the pleasing Regional environment, it must also enhance the image of the area in terms of total access.

PROCESS

The development process for major office-based services is multifaceted and should consist of the following initiatives:

1. Improve, through promotion, the business image of the Region. This will involve counteracting some of the negative elements of Niagara's external image while broadcasting the diversity of the present economic base and the growing concentration of offices in places such as downtown St. Catharines.

2. Based upon the profile of current residents, market intelligence and contacts from the Region's industrial and commercial community, the Region should develop a short list of prospective clients, and undertake personal visits. Appropriate brochures and audiovisual kits should be available as supplementary aids.

3. Major events should be planned to highlight the market potential of the Region and the development opportunities. These events might consist of a joint Niagara/Urban Development Institute seminar which should be well publicized and involve study tours and presentations. Other events might be a "Development Day" in the major urban areas to bring together interested parties (e.g. Chamber of Commerce, Downtown Business Improvement Association, developers), raise the profile of the Region's services sector and encourage development

initiatives. The Region should integrate entertainment projects (e.g. sailing cruises, theatre evenings, food festivals) with these events so as to project the quality of life in Niagara and emphasize the personal advantages to living in the area.

4. The Area Municipalities should be actively encouraged to promote and revitalize their downtown areas. Business improvement associations should be encouraged.

5. An office space information base should be developed, which would maintain and disseminate intelligence on the amount, location, quality, price and terms of commercial office space throughout the Region. Linkages with the banks and development interests in Toronto and in other major centres should be developed to disseminate this data on a regular basis.

A SPECIAL PROJECTS DEVELOPMENT PROGRAMME

Besides the five (5) component development programmes set out here, it is felt that the Region should actively look to some imaginative and innovative development projects to capture the interests of the community and of investors, and to supplement and propel the impact of the more conventional economic development initiatives detailed previously. It is very often the unconventional or "fringe" proposals which capture the community's imagination and allegiance, and eventually lead to a cumulative spin-off of substantial complementary, commercial developments. In addition, the reputation of a community and the climate for investor confidence can be greatly enhanced by demonstrated success in innovative ventures and especially the tangible evidence of support by the Municipality, the community and the resident business sector.

Examples of innovative projects abound from Expo 67, the Stratford Festival, the reconverting of old warehouses and other

"derelict" buildings in many urban centres into enclosed malls, offices and stores, the Shaw Festival in Niagara and numerous examples of "Main Street" and other festivals and redevelopments throughout many Ontario and other Canadian communities. Imaginative thinking has now made the wood stove industry a reborn and thriving sector and the log house construction business a promising venture. There are exciting projects in municipal garbage disposal and industrial energy generation going on in Niagara today. Jamestown, New York has a North American reputation for innovative developments in labour/management procedures and job enrichment.

We have prepared a list of project proposals which, in our view, offer some interesting opportunities for the Region. We feel that they are (a) sufficiently innovative to capture the interest of the community and local investors, (b) the sorts of projects which would augment favourably Niagara's reputation for entrepreneurship and vitality, and (c) sufficiently realistic to be worthy of further consideration, deliberation and refining. They are <u>not</u> concrete proposals for specific projects or immediate action. They should be tabled, scrutinized, refined (where appropriate) and augmented with other ideas.

<u>A Sample Selection of Special Projects</u>

1. The first is the <u>Niagara Small Business Management Development and Training Centre</u>. Most of Canada's businesses are small. Most employees, most employers and most business problems and challenges are in smaller businesses in all sectors of the economy (manufacturing, trades and services). Niagara has a good record in the growth and development of small industries. The Federal and Provincial governments have a variety of policies and programmes to support small businesses. Various universities and community colleges have a variety of

programmes in business administration, some of which are tailored to smaller businesses. There is no focus, however, in terms of a leading, prestigious resources and training centre, for small business executives and senior personnel.

It would be worthwhile pursuing the feasibility of setting up such a centre in Niagara with the assistance of the Ontario government, large and small businesses in Niagara, Brock University and Niagara College and organized labour. The centre would not only raise the prestige and reputation of Niagara, provide 50-100 permanent jobs but would also enhance and build upon the area's potential for attracting and expanding small industries and other businesses.

2. The Gasohol Demonstration Project would be a combined Federal/Provincial and private sector project to produce ethanol from Canadian grain as a supplement to gasoline for automobiles. Like a number of the major refineries in Canada (e.g. Oakville, Clarkson) the plant would be close to a concentration of major markets. Ethanol is already in use in North America as an additive to gasoline. There is increasing speculation that greater amounts of it and other substances might be added to the increasingly expensive and uncertain supply of gasoline. Corn is more productive than wheat in producing ethanol. Ontario is the major corn growing region in Canada. Demand for ethanol is rising rapidly in the neighbouring United States. Niagara is well positioned to supply ethanol to Ontario and the U.S., and it has the required quantities of good quality water and security of electricity supplies for the distilling and dehydrating processes. The high protein by-product (for livestock) would prove a useful export for the Niagara Region. Ontario would be one of the most interested parties in a Canadian setting in this regard. There has already been talk of setting up 2-3 gasohol plants in Ontario. It would be worthwhile for Niagara to get in at the start of this feasibility discussion and set out its case for a demonstration plant.

3. The Niagara Solar Technology Park would concentrate Ontario's and some of Canada's disparate solar-based prototypes and commercial production. There are now a variety of small companies in various aspects of solar heat generation products, from pool covers to roof panels. Ontario has already seen the application of some of this technology (e.g. in King City, York and in Aylmer). There is no centre for solar technology, as there is for furniture (e.g. Hanover area), automobiles (e.g. St. Catharines, Oshawa, Oakville) or insurance (e.g. London, Kitchener, Toronto). By creative publicity, support from the Federal and Provincial governments and the initiatives of some local solar technology production or fabricating firms, Niagara could take the initiative and set up the centre for such research and production. The

emphasis should be upon creating a unique and progressive industrial community which would (a) thrive because of the concentration of expertise and innovation, and (b) promote and publicize itself and Niagara as the Canadian centre for such activity.

An interesting and commercially attractive spin-off worth considering, would be the on-site production of warm water for a year-round market gardening industry within an adjacent complex of greenhouses. This type of activity would not only publicize a positive image of Niagara as a community engaged in a constructive approach to prime resource management, but also as one addressing Ontario's off-cited deficiency in fruit and vegetable production, in the face of overwhelming competition from the U.S., Australia, Chile and other competitors.*

4. The Niagara Engineering Sciences Park would draw upon (a) the considerable concentration of engineering consulting firms in the area, (b) the presence of large-scale, heavy industry in Niagara, and (c) the pool of highly skilled technicians, machinists, industrial engineers and others resident in the Region. On the basis of this stock of resources, the Park would be promoted as a centre for small high technology firms in electrical and non-electrical machinery and other sectors. The Park should allow for the presence of a division of a large industry coming in to use (subcontract) the skills and products of the smaller sized residents.

   The Park might be launched by a number of the larger resident manufacturing industries locating their research, testing and components development divisions in the Park, together with some consulting engineering firms and government research and testing personnel.

5. The Niagara Industrial Skills Institute would be a major centre for training skilled labour force for Niagara and Ontario as a whole. The Provincial government, the Region and organized labour, would join the area's manufacturing sector and Niagara College in this venture. The goal would be not only to meet the Region's needs for skilled tool and die makers, machinists and other skilled labour force, but to provide intensive in-career retraining and upgrading courses for large segments of Ontario's labour force. Given that the Community Colleges throughout Ontario are already delivering a variety of courses for industrial personnel, this Institute might focus its attention on retraining and more advanced technology requirements in the Niagara/Hamilton-Wentworth/ Brant area.

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* See the Progress Report of the Consultative Task Force on the Processed Fruit and Vegetable Industry of Ontario, Toronto: (1979).

6. The present Study has, by design, not addressed issues and potentials in the Region's agricultural sector. However, the food processing sector is a very important component of the Region's economic base. It is felt that there might be some innovative approaches worth further exploration which would lend some assistance in (a) fostering further growth in food processing, (b) helping to achieve community objectives in restraining the loss of prime agricultural lands, (c) ensuring an adequate return to retiring farmers, (d) helping young, energetic people who might otherwise not be able to afford the cost of getting into a viable farming operation, and (e) bringing about an adequate return to community investment in modern agricultural businesses.

   A Region of Niagara Food Production Corporation would be a community-based commercial operation, a form of cooperative. By incorporation and the issuance of (say) $100 shares, sufficient capital could be raised to purchase at market value, a variety of viable agricultural operations on prime soils, which were or were likely to be under some pressure for urban or urban-related development. Owner-managers would be employed to run highly efficient and modernized grape, peach, cherry and other operations. The owner-manager, while being in the employ of the elected Board, would have a substantial interest in the operation (say 20-30%), share in the profits and draw a salary.

   Those members of the community with no personal stake in agriculture, but who were sincerely interested in and concerned about (a) the viability of the local agricultural economy, and (b) the maintenance and best use of prime agricultural lands, would have an opportunity for direct participation in this sector. There would be greater opportunities for assisting the local food processing industry. The interested community, through their investment and participation, could ensure an adequate retirement income for some farmers without the concomitant conversion of agricultural lands to urban related uses. While there is considerable diversity of opinion on the rate of return to agricultural investments, it is felt that an adequate rate of return to investors could be achieved with (a) the highest quality of management, and (b) integration of the process from crop production to processing and marketing. It is recommended that the Region seriously examine the feasibility of such an undertaking.

7. Tourism is one of Canada's principal sources of foreign exchange earnings. It is one of the country's major employers. Niagara, with a limited number of other places (e.g. Banff, Quebec City), is particularly dependent upon tourism. While there are numerous schools and institutes concerned with various aspects of the tourism industry (e.g. catering

courses, recreation and parks management courses, hotel management courses) there is no one centre for Canada within which personnel entering a career in the tourism industry can take a comprehensive series of courses and in-depth training, and gain accreditation.

Niagara is an ideal location for the setting up of a Canadian Tourism Institute which would provide comprehensive training in all aspects of recreation and tourism. The courses and research programmes would not only encompass promotional methods, market forecasting, investment analysis, personnel development and the management of food and accommodation facilities and services, but would also include survey methods, facilities management and planning and the planning and management of conventions. This Institute might employ 20-50 people, draw upon Brock University and Niagara College as well as the array of tourist interest groups and associations already active in Niagara.

8. Research and development has been sadly ignored in Canada. There is growing recognition of the degree to which innovation has fallen behind in this country and the great difficulties which inventors and scientists have faced in (a) gaining the attention of government officials, and (b) translating their prototypes into actual products or processes for the market. The climate is changing and there is now tangible evidence of increasing recognition of, and funding for research and development. Niagara should avail of these trends.

It is recommended that Niagara actively investigate the possibility of an annual Canadian Inventors' Fair to be held in the Region. This highly publicized event would be sponsored by industry and government, have a small secretariat and a coordinator based in Niagara, and would be the showcase for technological innovation across Canada. While the 2-3 day event would not in itself generate much employment, it would project Niagara as a vital and conducive environment for small-scale innovation and industrial applications. The spin-off potential for Niagara's own industrial base would be considerable and allow many local industries immediate opportunities for new product development and market growth.

SUMMARY

These are only a selection of development ideas which should be reviewed, given further consideration and augmented. It should again be stressed that they are not refined proposals for concrete commitment and action. They are ideas which we believe are

worthy of serious consideration. It will be noted that they are interrelated in that there are cross-currents between the technological and small industries components, that all are designed to build upon Niagara's particular assets and strengths and all should serve to reinforce a positive, dynamic image of the Region. Other areas of potential for Niagara include a central theatre school for Ontario, drawing upon the theatre communities in Toronto, Stratford and Niagara-on-the-Lake, and new service industries related to the so-called "office of the future". The latter involves a totally computerized office, based upon the latest advances in technology (e.g. the microprocessors) and electronic integration of typing, filing, reporting, graphics and report production. It is one of the more rapid growth areas for the major business equipment firms (e.g. IBM, Ollivetti). Foreign trade zones, or free trade zones, may offer some opportunities. However, while they have been very successful in the United States, Canada's system of duty remissions (e.g. for overseas auto components) and complete duty drawbacks, mean that any firm can operate as a customs duty free zone, anywhere in Canada. The potential for geographically distinct duty free zones is, at this level of enquiry, not very promising.

SPECIFIC TASKS

We have detailed the six (6) component programmes into one hundred and six (106) tasks. While there is some overlap in some tasks, most tasks have distinct contents, clients and timing. There is in fact little duplication in the various tasks recommended for the six

component programmes. The task summaries are largely self-explanatory, flow directly from the activity and approach recommendations set out previously for the component programmes and need no further elaboration here.

SET UP TASKS - THE DEVELOPMENT AGENCY

Task 0.1	Committee Review of Woods Gordon Recommendations
Task 0.2	Committee Recommendations to Council
Task 0.3	Set Up Economic Development Agency (Department, etc.)
Task 0.4	Appoint Executive Director (Commissioner, etc.)

COMPONENT PROGRAMME - 1

THE REGION OF NIAGARA PROMOTION PROGRAMME

Task 1.1	Image Development (General)
Task 1.2	Refine Promotion Process
Task 1.3	Political Announcements - General Direction & Commitments
Task 1.4	Redress "Negative Image" Elements
Task 1.5	Prepare Promotional Materials (e.g. Media Ads, Brochures, Films, etc.)
Task 1.6	Prepare Outline "Business Development Proposal" Package for Promotions
Task 1.7	Identify Teams for Business Development
Task 1.8	Set up Teams
Task 1.9	Prepare General Testimonials
Task 1.10	Public Education Programme
Task 1.11	Initiate and Distribute the "Niagara Developments" Newsletter
Task 1.12	Set up Advisory Committee

COMPONENT PROGRAMME - 2

THE REGION OF NIAGARA
MAINTENANCE AND EXPANSION PROGRAMME
FOR LARGE MANUFACTURING INDUSTRIES

Task 2.1	Political Announcement - Role of Large Industries - Policies and Action Commitments
Task 2.2	Appoint Development Director
Task 2.3	Refine Approach and Programme
Task 2.4	Prepare Comprehensive Data Base and Intelligence Base
Task 2.5	Identify "Growth Industry" Firms Task 2.6 Identify "Stable" Industry Firms
Task 2.7	Identify Firms in Decline
Task 2.8	Identify Current and Prospective Problems (e.g. Storage, Zoning, Noise, Servicing, Expansion Room, etc.)
Task 2.9	Set up Contact System with Large Firms
Task 2.10	Set up Liaison Committee
Task 2.11	Initiate Remedial and Support Actions
Task 2.12	Identify Large External Industrial Prospects
Task 2.13	Prepare Brochure
Task 2.14	Prepare Testimonials
Task 2.15	Broadcast Refined Large Manufacturing Industry Programme
Task 2.16	Address Development Approval Process
Task 2.17	Broadcast Regional Public Works Programmes and Priorities
Task 2.18	Redress any Tourism/Industry Conflicts
Task 2.19	Set up a Niagara Manpower Development Committee
Task 2.20	Serviced Industrial Land - Expand - Set Area Priorities - Complete Development Approvals - Inventory - Public Sector Plan

COMPONENT PROGRAMME - 3

THE REGION OF NIAGARA
SMALL MANUFACTURING INDUSTRIES
DEVELOPMENT PROGRAMME

Task 3.1	Political Announcement - Role of Smaller Industries - Policies and Action Commitments
Task 3.2	Appoint Development Director
Task 3.3	Refine Approach and Programme
Task 3.4	Prepare Comprehensive Data Base and Intelligence Base
Task 3.5	Refine Marketing Targets - Present Profile - "Growth" Firms - New Products/Processes, etc. - Complementary Industries - Resident Entrepreneurs
Task 3.6	Set up Local Contact System
Task 3.7	Set up Liaison Committee
Task 3.8	Identify Current and Prospective Problems (e.g. Storage, Zoning, Servicing)
Task 3.9	Initial Remedial and Support Action
Task 3.10	Prepare Brochure
Task 3.11	Prepare Testimonials
Task 3.12	Survey Large Industries for Components, Services and Other Needs
Task 3.13	Broadcast Refined Small Manufacturing Industries Programme
Task 3.14	Prepare Manpower Resources Portfolio and Assistance/Development Programme
Task 3.15	Serviced Industrial Land - Expand - Set Area Priorities - Complete Development Approvals - Inventory - Public Sector Plan - Market Diverse Size/Price Range for Smaller Industries
Task 3.16	Ensure Diverse and Early Opportunities in Southern Areas
Task 3.17	Maximize Choice Through <u>All</u> Municipalities (1980-90)
Task 3.18	Address Development Approval Process
Task 3.19	Set up Small Industry Development Teams
Task 3.20	Set up "One Stop" Service Office For Small Industries - Data - Management - Federal/Provincial Programmes - Contacts - Courses - Financing

COMPONENT PROGRAMME - 4

THE REGION OF NIAGARA SERVICES SECTOR DEVELOPMENT PROGRAMME

Task 4.1	Political Announcement - Role of Services Sector - Policies and Action Commitments
Task 4.2	Refine Approach and Programme
Task 4.3	Indentify Target Firms for Marketing
Task 4.4	Prepare Comprehensive Data and Intelligence Base
Task 4.5	Set up Contact System
Task 4.6	Identify Current and Prospective Problems
Task 4.7	Initiate Remedial and Support Measures
Task 4.8	Prepare Special Brochure on Urban Centres, Offices Sector, Development Programmes, etc.
Task 4.9	Start Personal Visit (Promotion) Programme
Task 4.10	Plan Major Promotional Events With COCs, BIAs, etc.
Task 4.11	Promote Downtown Revitalization Programmes
Task 4.12	Address Telephone Area Issue
Task 4.13	Promote Improved Access to Mt. Hope Airport
Task 4.14	Promote Better Flight Service at Mt. Hope Airport
Task 4.15	Promote Highway, Train Service and Regional Air Services Improvements
Task 4.16	Encourage Construction of Planned Office Developments

COMPONENT PROGRAMME - 5

THE REGION OF NIAGARA TOURISM DEVELOPMENT PROGRAMME

Task 5.1 Political Announcement
- Role of Tourism
- Policies and Action Commitments

Task 5.2 Appoint Development Director

Task 5.3 Refine Approach and Programme

Task 5.4 Prepare Marketing Plan and an Aggressive Developmental Programme
- Data Base
- Visitor Survey ('81)
- Analysis
- Programmes
- Projects

Task 5.5 Encourage, Promote and Facilitate New Tourism Attractions, Activity Centres and Routes

Task 5.6 Encourage, Promote and Facilitate New Off-Season Festivals, Attractions, Special Projects, etc.

Task 5.7 Encourage, Promote and Facilitate New Projects, Festivals, Recreation Facilities, etc. to Lengthen the Duration of Stay

Task 5.8 Encourage, Promote and Facilitate New Tourism Developments Outside of Niagara Falls and Niagara-on-the-Lake

Task 5.9 Prepare and Market an Integrated Package of Tourism Facilities and Services
- Scenic Routes and Festival Centres
- Family Reception Centres
- Ski Trails/Bikeways/Hiking Trails/ Park Systems/Historical Sites

Task 5.10 Develop Tourism Attractions Based on Region's Energy, Industrial and Agricultural Heritage

Task 5.11 Promote, Encourage and Facilitate Management Development/Conference Centres

Task 5.12 Ensure the Repair, Upgrading and Removal of Selected Run-Down Facilities

Task 5.13 Set up Contact System

Task 5.14 Set up Liaison Committee

Task 5.15 Prepare Tourism Brochure

Task 5.16 Prepare Other Promotional Materials

Task 5.17 Integrate Tourism Facilities and Services Development With Municipal Facilities and Services

Task 5.18 Identify Current and Prospective Problems (e.g. Zoning, Servicing)

Task 5.19 Initiate Remedial and Support Measures

Task 5.20 Address Development Approvals Process

Task 5.21 Inaugurate a "Tidy Town" Type Contest

Task 5.22 Broadcast Tourism Development Programme and Community Role and Benefits

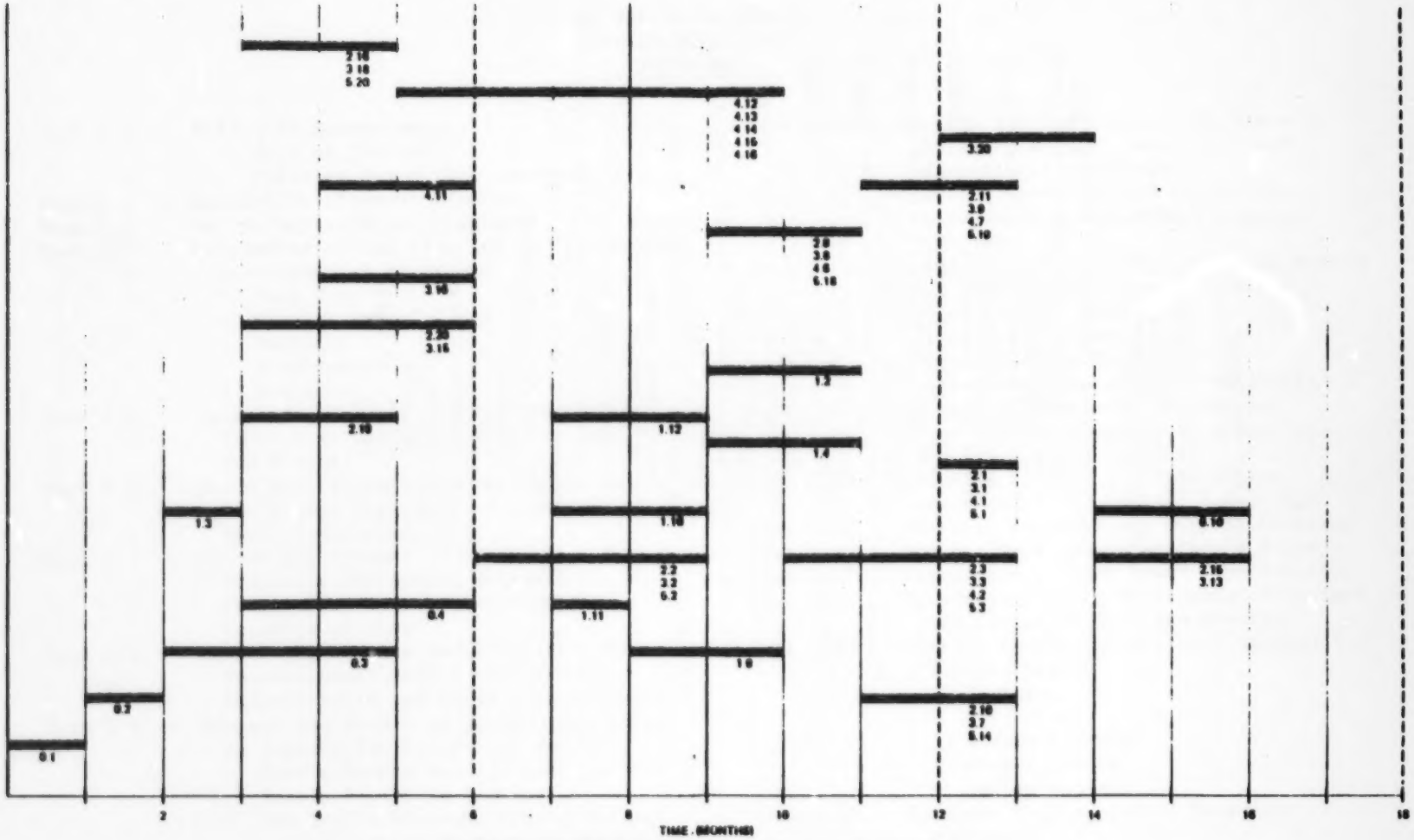
Task 5.23 Prepare Special Marketing Programme for Toronto Region
- Families
- Off-Season
- Business Groups
- Winter Sports
- Cottaging, etc.

Task 5.24 Initiate Ongoing Action Research Programme

COMPONENT PROGRAMME - 6

THE REGION OF NIAGARA SPECIAL PROJECTS DEVELOPMENT PROGRAMME

Task 6.1	Investigate Feasibility of a Niagara Small Business Management Development and Training Centre
Task 6.2	Investigate Feasibility of the Niagara Gasohol Demonstration Project
Task 6.3	Investigate Feasibility of the Niagara Solar Technology Park
Task 6.4	Investigate Feasibility of the Niagara Engineering Sciences Park
Task 6.5	Investigate Feasibility of the Niagara Industrial Skills Institute
Task 6.6	Investigate Feasibility of the Niagara Food Production Corporation
Task 6.7	Investigate Feasibility of a Canadian Tourism Institute
Task 6.8	Investigate Feasibility of Canadian Inventors' Fair
Task 6.9	Investigate Feasibility of Other Development Areas - Movie Production - Theatre School - "Office of the Future" Centre
Task 6.10	Sponsor a Community-Wide Competition for Innovative Projects - Schools - Brock - Niagara College - Unions - Industry - Public at Large - Media



THE REGION OF NIAGARA
ECONOMIC DEVELOPMENT PROGRAMME
– PRIORITY TASKS

TASK PRIORITIES

The chart opposite set out our recommendations for the scheduling of tasks to be undertaken by the Region's economic development agency over the next eighteen months. Each task is coded to the full listing of tasks recommended in the previous section of this Report. The start up time (in terms of months), duration and completion times are indicated. The basis for our recommendations on priority tasks are as follows:

1. The primary tasks involve processing the present Report (Task 0.1) coming to a decision on our recommendations (Task 0.2) and securing Council's decision.

2. Any tasks which can be started at this time (Task 2.19) or continued from today's ongoing activities (Tasks 2.16, 4.11) should be undertaken as soon as possible. One cannot and should not attempt to proceed on all fronts. Where there is a momentum already in place (e.g. in manpower planning, industrial land), one should drive ahead.

3. Short term, tangible and publically visible projects (Task 3.16) should receive priority to (a) encourage credibility in the programme, (b) publicize real results, and (c) encourage public participation and business investment.

4. The economic development vehicle must be set up as soon as possible (Task 0.4) to take charge of, refine and direct the economic development programme.

5. There should be an early and well publicized political commitment to action (Task 1.3).

6. Several tasks involve initiating or increasing intergovermental discussion and lobbying (Tasks 4.12 to 4.16), and while they can be protracted affairs, they should be addressed in the near future.

7. Some tasks, such as the staffing (after the appointment of a Director) of the regional economic agency (Tasks 2.2, 3.2 and 5.2), will necessarily take time in that the Director should have a say in the matter. Other tasks such as the refinement of the promotion process (Task 1.2) must and should be contingent upon the appointment of the agency's senior officials. Likewise the setting up of the Advisory Committee (Task 1.12) and the three Liaison Committees (Tasks 2.10, 3.7

and 5.14) should be integrated with the refinement of the individual component development programmes (Tasks 2.3, 3.3, 4.2 and 5.3) by the senior officials of the agency.

8. The identification of specific problems and issues (Tasks 2.8, 3.8, 4.6 and 5.18) must await the appointment of responsible senior staff. The actual implementation of remedial measures (Tasks 2.11, 3.9, 4.7 and 5.19) should be undertaken with the advice of the Liaison Committees.

9. After about twelve months of operation a fairly broad base of activities, contact networks, liaison and advisory bodies and promotion and remedial activities should be in place and underway. Substantial advances in areas such as general promotion, serviced industrial land, the approvals process, public education and information and specific problems relating to resident industries and commercial operations, should have been recorded by this time. The first year's growing pains of the economic development office should be behind and the efforts of the agency should be focused upon ongoing refinement and dissemination of their programmes (Tasks 2.15 and 3.13), more precise activities in client identification, marketing and promotion and development tactics.

PART 3 THE ECONOMIC DEVELOPMENT VEHICLE

THE ECONOMIC DEVELOPMENT VEHICLE

INTRODUCTION

In this part of our Report we make recommendations on the most appropriate agency or economic development body to implement the programme recommendations. We set out selected criteria to assess the suitability of various types of development vehicles (e.g. a Department within the Regional Municipality versus the status quo). Following these, we review the major alternatives to be considered. Then we evaluate the alternatives. Finally, we make our recommendations for an economic development vehicle for Niagara with a summary of the basis of our recommendation and the implications.

CRITERIA

We have developed eight (8) criteria which we feel are legitimate and useful measures to assess the relevance and appropriateness of alternative economic development vehicles for Niagara. They are not all-encompassing. Not everyone will interpret the criteria exactly as we have. Neither can it be expected that everyone will agree with an application of these criteria, to assess the development vehicle alternatives. However, we believe that they are useful and appropriate to the task at hand.

Efficiency

Efficiency here means the return (in terms of economic development, such as new jobs or increased taxation revenue) for public and private investment in economic development. The nature of

inter-municipal (Region to Area Municipal) relationships; the organizational structure of the development agency itself; the degree to which the present investment in local services, industrial land and knowledgeable human resources are used; all of these factors and others will vary by each alternative. The potentials for getting the best return for public dollars invested will vary, depending upon the nature of the development agency, e.g. the degree of duplication of resources and activities, degree of intra-regional competition.

Effectiveness

This criterion, related to efficiency, measures the degree to which stated objectives might be met. The effectiveness of the economic development body will be influenced by, among other factors, the complexity of the administrative and political organization of the alternative adopted. The objective is to set up a vehicle which will, amongst other things, have the highest potential to maintain jobs and create new employment in Niagara. The agency must be sufficiently streamlined and have a clear, region-wide mandate and capability.

Political Accountability and Control

While usually raised in reference to the jealous guarding of Area Municipal rights and jurisdictions against a reluctantly accepted Regional Government, political accountability and control here refers to both levels of government. Both tiers of municipal government have concerns regarding their autonomy and the degree to which their interests might be subsumed or neglected in any economic development formula.

This criterion, therefore, relates to the responsiveness of a proposed agency to a political body (or bodies) with an interest in its activities and progress. Generally (though by no means always), agencies internal to a Municipal administration and responsible to a Standing or Special Committee of Council, will be more likely to be more politically accountable than free-standing private agencies, special purpose bodies (e.g. Public Utility Commissions) or similar organizations. Likewise, agencies located in one tier of a two-tier local government system may not always be seen as sufficiently representative of the other tier's interests at all times.

Administrative Independence

This criterion relates to the degree to which the development agency can operate on a day-to-day basis free from political interference, routine demands and distractions. One of the hallmarks of good municipal administration is the recognition of, and respect for a clear division between the political and the administrative functions of local government. This is an especially important criterion for Niagara.

Implementation Potential

Whatever is considered as an alternative must be pragmatic and capable of implementation in Niagara today. There will, however, be varying degrees of effort or difficulty in implementation. By "implementable" we do not refer to statutory constraints, but to the very real and legitimate social and political receptivity for alternative proposals. An "ideal" solution is not ideal, if within the normal give and take of political deliberation, very few participants can live with what is proposed as a solution for them.

Congruence with Regional Problems/Potentials

A great variety of regional problems and issues as well as economic development potentials have been analyzed and highlighted in this Study. (See the summary of these in the Appendix.) The proposed economic development agency should be structured in direct response to these, to remedy problems and exploit potentials, and not to create new problems or miss opportunities. The economic development body must match the tasks at hand.

Cost

While the relative returns to investment are more important than the absolute size of investment in economic development, (a) municipalities have limited access to funds for investment in community development, and (b) the returns themselves, in terms of employment, occupational opportunities, morale, image and the like, may be long term in coming. There are therefore, very real constraints to the absolute dollar costs of community economic development which have to be weighed.

Neutrality

This does not infer that all Area Municipalities should share equally in the employment and taxation returns to development, that all should have equal access to industrial and commercial prospects or that all should have a proportionate endowment of serviced industrial land and other economic resources. By "neutrality" we mean that there should be an equitable treatment of all Area Municipalities by the development agency, should a centralized or inter-muncipal body be

adopted as the most appropriate vehicle. There should be neither favouritism for the traditional urban-industrial centres, or (unless specified by Regional policy positions) preferential treatment for smaller, rural communities. The agency should be guided by (a) the Region's ennunciated locational policies (e.g. the Southern Areas), (b) competition in the marketplace (i.e. from other municipalities outside of Niagara), and not least of all (c) the specific requirements of the prospective Client.

THE DEVELOPMENT VEHICLE - SOME ALTERNATIVES

We have examined a selection of community development agency models presently operating within Canada and the United States. It was decided early on, that nothwithstanding the success of a number of U.S. community economic development vehicles, the statutory differences between U.S. and Canadian municipalities was too great to justify further in-depth assessment.* Many of the Canadian models which we examined were in municipalities with regional government settings (e.g. Halton, Hamilton-Wentworth, Ottawa-Carleton, Durham). However, we did examine other models in two-tier municipal systems (e.g. Peterborough, Kitchener, Windsor-Essex, Parry Sound, Orillia) as well as models beyond Ontario (e.g. Winnipeg, Moncton).

While there are plenty of opportunities for a "hybrid" version from these various models in operation today, eight (8) principal models can be identified. These are set out below.

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* The differences relate mainly to the ability of U.S. municipalities to give prospective industrial customers a great variety of tax holidays or reductions and to "bonus" industries with low cost industrial lands.

1. The first has the economic development function as a component responsibility of, and within the Regional Municipality's Planning Department (e.g. as formerly the case in Durham and Hamilton-Wentworth).

2. The second alternative has a separate and distinct Department of Economic Development within the Regional Municipality (e.g. as is the case in Durham, Halton and Hamilton-Wentworth). The Department would be led by a Commissioner or Director of Economic Development.

3. The third alternative is an Economic Development Board, acting as a special purpose body (like a Public Utilities Commission or Parks and Recreation Board) of the Regional Municipality. This could consist of appointed Regional and Area Municipal representatives and/or non-politicians, or representatives elected at large. The special purpose body would usually be very independent of Regional Council in its day-to-day operations and might use Regional and/or Area Municipal staff or set up its own staff complement. Its funds would come from the Regional Municipality and through its annual budget, annual report and Regional representatives on the Board, it would function as an extension of the Regional Municipality.

4. The fourth alternative would be the Chamber of Commerce for the Region of Niagara acting as the primary development vehicle (as in Kitchener or Niagara Falls). In this model the Region and/or the Area Municipalities might contract and fund the Chamber of Commerce to carry out the economic development function. The Chairman of the Region and the Area Municipal Mayors might sit on a economic development committee of the Chamber. The Chamber might be responsible for promotion, land assembly, servicing, sales, conventions, tourism and overall economic development. The Chamber might also retain its own staff or draw upon the resources of some of the Area Municipalities and/or the Region.

5. Alternative 5 is a Niagara Economic Development Commission (as in Windor-Essex) set up as an incorporated body. In this model, representatives from the Region, the Area Municipalities and major interest groups (e.g. industry, organized labour, agriculture, Chambers of Commerce) would be appointed and elected as Members, elect a Board of Directors who would nominate and elect additional Members as required, set up an Executive Committee, appoint Officers and Staff and run the affairs of the Corporation. Normally, such a body would have representatives appointed from all municipalities and would be funded either by a special levy or from the Region's general revenues. There are a variety of staffing arrangements open to such an agency. The responsibility of such a body might include the whole range of community economic development functions including the purchase, management, and disposal of lands.

6. The proposed "Niagara Development Board" as suggested by the St. Catharine's Industrial Development Board is very similar to the last mentioned vehicle. This proposal would set up an incorporated Board without share capital, consisting of 36 Members (12 Mayors appointed from the Area Municipalities and the Regional Chairman), a 13 Member Board of Directors elected from the 23 admitted or general Members plus the (voting) Regional Chairman and an Executive Committee of 6 admitted Members elected from the Board of Directors plus the (voting) Regional Chairman. While the objectives of the proposed Board are clearly non-profit and given over entirely to the promotion of economic development in Niagara, there is no indication of the source of funding for the Board. In addition, the proposal is not very specific on the sectoral details of the Board's promotion and development mandate, e.g. are agriculture and tourism included? Finally, the proposal gives no specifics on the relationship between the Board and the Regional Niagara Tourist Council and those Area Municipalities with their own economic development agencies. However, regarding the latter, the proposed annual budget implicitly suggests that the Board would replace the Area Municipalities' activities and agencies in economic development.

7. The seventh alternative is the status quo, characterized by the four (4) Area Municipalities of St. Catharines, Niagara Falls, Welland and Fort Erie being directly and actively involved in community economic development for their own areas. The pattern is not entirely clear-cut, because most municipalities devote some time and resources to community economic development, either through the voluntary efforts of the Chairman of their Planning and Development Committee of Council, by splitting the Planner's responsibilities between planning and economic development or some other arrangements. However, nothwithstanding common good-will between neighbouring municipalities and the breadth of Regional data in Niagara Falls' industrial directory, the system at the present is balkanized into twelve (12) communities pursuing whatever industrial and commercial opportunities they wish, can afford to, or which present themselves from time to time.

8. The final model draws upon the record of inter-municipal cooperation in other fields (e.g. piped services, ambulance and fire services). Cooperative efforts in economic development among municipalities are not entirely uncommon (e.g. City of Peterborough and Peterborough County, the Townships of McDougall and Carling and the Town of Parry Sound). There is some evidence of joint efforts already in the Region of Niagara. Inter-municipal cooperation could encompass 2-3 or more municipalities, perhaps in an urban-centred subregion within Niagara. Joint efforts might encompass setting up a joint commission or board, retaining a

THE ECONOMIC DEVELOPMENT BODY OR BODIES FOR NIAGARA – A SUMMARY EVALUATION OF THE MAJOR ALTERNATIVES

	1	2	3	4	5	6	7	8
EVALUATION CRITERIA	**REGION OF NIAGARA PLANNING & DEVELOPMENT DEPT**	**REGION OF NIAGARA DEPT. OF ECONOMIC DEVELOPMENT**	**REGION OF NIAGARA ECONOMIC DEVELOPMENT BOARD**	**REGION OF NIAGARA CHAMBER OF COMMERCE**	**NIAGARA ECONOMIC DEVELOPMENT COMMISSION**	**ST. CATHARINES INDUSTRIAL DEVELOPMENT BOARD PROPOSAL**	**STATUS QUO - AREA MUNICIPALITIES**	**INTER-ARE MUNICIPAL COOPERATI**
EFFICIENCY	• ADMIN. EFFICIENCY FOR REGIONAL CORP. - MODERATE • REG.-TO-AREA MUNS. COULD BE POOR	• ADMIN. EFFICIENCY FOR REGIONAL CORP.-HIGH • REG.-TO-AREA MUNS. COULD BE LOW	• MODERATE EFFICIENCY POTENTIAL FOR BEGION • MODERATE/ LOW FOR AREA MUNS.	• MODERATE FOR REGION • UNCERTAIN FOR FOR AREA MUNS.	• HIGH FOR REGION • MODERATE/ HIGH FOR AREA AREA MUNS.	• HIGH FOR REGION • MODERATE/ HIGH FOR AREA MUNS.	• LOW FOR REGION • HIGH FOR SOME AREA MUNS.	• MODERATE FOR BOTH REGION AN AREA MUNS.
EFFECTIVENESS	• LOW EFFECTIVENESS POTENTIAL	• MODERATE/GOOD POTENTIAL	• MODERATE POTENTIAL	• MODERATE/GOOD POTENTIAL	• HIGH POTENTIAL	• HIGH POTENTIAL	• MODERATE POTENTIAL FOR SOME AREA MUNS. • LOW FOR REGION	• MODERATE POTENTIAL FOR MOST AREA MUNS. • MODERATE FOR REGION
POLITICAL ACCOUNTABILITY & CONTROL	• MODERATE TO HIGH POTENTIAL FOR REGION • LOW FOR AREA MUNS.	• HIGH POTENTIAL FOR REGION • LOW FOR AREA MUNS.	• MODERATE POTENTIAL FOR REGION • LOW FOR AREA MUNS.	• MODERATE TO LOW POTENTIAL FOR REGION AND AREA MUNS.	• MODERATE POTENTIAL FOR REGION AND AREA MUNS.	• MODERATE POTENTIAL FOR REGION AND AREA MUNS.	• HIGH FOR SOME AREA MUNS. • LOW FOR REGION	• MODERATE/H FOR MOST AREA MUNS. • MODERATE/L FOR REGION
ADMINISTRATIVE INDEPENDENCE	• LOW TO MODERATE POTENTIAL FOR REGION • HIGH INDEPENDENCE FROM AREA MUNS.	• MODERATE POTENTIAL FOR REGION • HIGH INDEPENDENCE FROM AREA MUNS.	• MODERATE POTENTIAL FOR INDEPENDENCE FROM REGION AND AREA MUNS.	• HIGH POTENTIAL FOR INDEPENDENCE FROM REGION AND AREA MUNS.	• HIGH POTENTIAL FOR INDEPENDENCE FROM REGION AND AREA MUNS.	• HIGH POTENTIAL FOR INDEPENDENCE FROM REGION AND AREA MUNS.	• MODERATE INDEPENDENCE FOR SOME AREA MUNS. • HIGH INDEPENDENCE FROM REGION	• LOW TO MODERATE FOR MOST AREA MUNS. • MODERATE/HI INDEPENDENC FROM REGION
IMPLEMENTATION POTENTIAL	• [illegible]	• LOW AS ONLY SOLUTION	• MODERATE POTENTIAL	• MODERATE POTENTIAL	• MODERATE TO HIGH	• MODERATE TO HIGH	• MODERATE/HIGH POTENTIAL	• MODERATE POTENTIAL
CONGRUENCE WITH REGIONAL PROBLEMS/ POTENTIALS	• LOW	• LOW	• MODERATE	• MODERATE/ HIGH	• HIGH	• HIGH	• MODERATE TO LOW	• MODERATE/ HIGH
DIRECT COST	• LOW - $25-50,000	• LOW - $100-150,000	• LOW/ MODERATE $100-200,000	• MODERATE/ LOW $200-300,000	• MODERATE $400-500,000	• MODERATE $400-500,000	• MODERATE $450,000	• MODERATE $400-500,000
NEUTRALITY	• VERY LOW POTENTIAL VIS A VIS AREA MUNICIPALITIES • HIGH ON REGIONAL PRIORITIES	• LOW POTENTIAL FOR AREAS MUNS. • COULD BE HIGHEST FOR REGION	• MODERATE POTENTIAL FOR AREA & REGIONAL MUNS.	• UNCERTAIN ATTENTION TO AREA MUNS. • MODERATE COVERAGE FOR REGION	• MODERATE/ HIGH AREA MUN. POTENTIAL FOR BOTH REGION AND AREA MUNS.	• MODERATE/ HIGH AREA MUN. POTENTIAL FOR BOTH REGION AND AREA MUNS.	• HIGH AREA MUNICIPAL RESPONSIVENESS - FOR SOME • LOW ON REGIONAL PRIORITIES	• HIGH AREA MU RESPONSIVENES POTENTIAL • MODERATE FOR REGIONAL PRIORITIES

professional Director of Economic Development, purchasing and servicing land, and common promotional literature, activities and events. The participants could levy themselves on a per capita industrial/commercial assessment basis and distribute taxation and other revenues on a similar basis.

As mentioned earlier, these models are neither all-encompassing or watertight, separate and unrelated systems. In any of these possibilities promotion and general publicity could be confined to the Regional level, carried on by whatever agency. Industrial land development, interaction with resident commercial and industrial operations and other activities could be carried on at the local level. Again, tourism-related activities might be centred at the Regional level while all other development programmes and resources could remain with the Area Municipalities. Another variation would have the Regional agency (of whatever type) cater to the very large industrial prospects while the Area Municipalities looked after smaller industrial developments. The possible combinations and permutations are many. We will address these possibilities when applying the previously detailed eight (8) evaluation criteria.

SUMMARY EVALUATION OF THE ALTERNATIVES

Drawing upon our experience in municipal management and planning, our particular experience in regional economic development in Ontario, our familiarity with the social, political and economic make-up of Niagara and especially our understanding of the problems and potentials in the Region, we have carried out an evaluation of the major economic development vehicle alternatives. The chart opposite summarizes our assessment of the most likely status of each of these alternatives when assessed on the basis of the eight (8) criteria

previously set out. In our judgement, this is a fair and logical assessment of the major alternatives before Niagara today.

Before commenting on some of the highlights of our evaluation it should be candidly stressed that in this "soft" judgemental area, there are many factors which can and do alter the appropriateness or goodness of fit of any alternative against all others. An example might be a particularly dynamic, articulate and aggressive individual who might transend most political and administrative disadvantages of a particular structure and make it work, against all expectations. Another unknown might be an unexpected increase in the degree of harmony, selflessness and cooperation between most Area Municipalities and the Regional Municipality. There are many unknowns in the areas of personalities and politics, which will have a direct and very immediate bearing upon the success or failure of whichever system is adopted. In the end, political and community willingness to make the system work, are by far the most important determining variables in the success of the adopted system. These facts are paramount and cannot be over-emphasized.

Without elaborating on all sixty-four (64) individual evaluations in the chart, it would be useful to highlight a selected number of our conclusions. Regarding Alternative 1 (the economic development programme as a staff function within the present Regional Planning and Development Department), it is our conclusion that it would yield moderate efficiencies for the Region with little chance of efficient functioning as far as Area Municipal interests were concerned. The staff member(s) would not be as independent as he or she might be in

a separate Department (Alternative 2), so the effectiveness potential would not be as high as it might otherwise be.

Political accountability to Members of Regional Council would tend to be direct, with few obstacles. It would, however, be otherwise for the Area Municipalities. It would be difficult to ensure administrative independence (therefore affecting efficiency and effectiveness) at the Regional level because of the status (staff level and not a Department, Commission or Board) of the function. The staff Member would by definition be largely divorced from Area Municipal administrative influence. It is our judgement that in terms of being accepted, and therefore implemented, this alternative ranks very low. The alternative ranks moderate-to-high in terms of potential for political control for the Region and low for the Area Municipalities. It is our feeling, that notwithstanding the Regional nature of many problems and potentials, this alternative is poorly suited to Niagara's situation. It would serve to polarize further, an already sensitive political environment and not attract the level of professional competence and credability to solve the complex issues at hand. The direct costs would more than likely be low, amounting to the salary or salaries for one or two extra staff and some additional administrative charges. In terms of actual and perceived neutrality this alternative would not be acceptable. In terms of implementing our programme recommendations, this development vehicle would not suffice.

A special purpose body for the Regional Municipality (Alternative 3) moves a little closer to the Area Municipalities in terms of access. However, this might be more appearance than substance.

It is our feeling that this alternative would be characterized by relatively poor political accountability and control and only a moderate potential for efficiency. With some administrative independence, typical of such bodies and a moderate potential for implementation, such a body would more than likely have a reasonable potential for addressing and solving many Regional economic problems. The Board may be seen by the Area Municipalities and even some prospective industrial Clients as an extension of the Region Municipality's administration.

The Chamber of Commerce alternative (Alternative 4) continues the progression of political and administrative independence. This agency should have a moderate-to-high potential for addressing many Regional economic issues and being accepted. The staffing, calibre of resources and related matters for such an agency operating at a complex Regional level are uncertain. It is likely that the Chamber would want to draw upon the Region's and some of the Area Municipalities resources. The contractual arrangements and related efficiencies may not be up to expectations. In addition, it is likely that the Region would predominate in terms of input and influence in such an agency.

Setting up a separate, incorporated Economic Development Commission (Alternative 5) should produce high or moderate-to-high efficiency potentials for all interested parties. Unlike the usual Chamber of Commerce model, this alternative brings in a body with one and only one mission and a full-time economic development and research staff. It is our belief that such a body should have a high effectiveness potential. Nothwithstanding the presence of senior political representatives from all municipalities as Members, and the

(possible) high profile role of the Regional Chairman (as suggested in Alternative 6), the management and day-to-day operation of such an agency is likely to somewhat removed from direct political control. Administrative independence would likely be very high.

It is our view that such a body meets the problems and potentials evident in Niagara today. It is sufficiently distant from both tiers of government to avoid undue interference and inter-municipal conflict. As a corporation it can set Regional development goals, objectives and targets, assign resources and concentrate its full attention on its mission. As a new body it would have a desirable degree of independence, free from previous associations and commitments either to particular economic sectors (e.g. tourism), Area Municipalities or lobby groups (e.g. a Chamber of Commerce). Its implementation potential in Niagara today, especially in light of the Region-wide desire to inaugurate a constructive, non-partisan approach to community economic development, is regarded as high. In terms of direct costs, it is our estimate that setting up such an agency for the Region would not add very significantly onto the costs of area economic development programmes now carried on in Niagara. This alternative may in fact be less costly than the present system.* With regard to neutrality, we believe that the presence of the Area Municipalities' Mayors with Regional Municipal representation, together with the independent charter, image and mandate of such an organization, should facilitate a moderate-to-high potential for neutrality in its dealings.

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* It is to be noted that if the six recommended development programmes from this Study were to be attempted under today's system, costs would escalate considerably.

It is our conclusion that such an agency could carry out the six component programmes recommended in this Study.

As is reflected in the submission by the St. Catharines Industrial Development Board (Alternative 6), this type of alternative has already gained some adherents. Their acceptance, it is felt, is largely influenced by the success (on the basis of the sorts of criteria we are using here) of the Windsor-Essex County Development Commission. This agency is now over twenty years in operation, encompasses a well established urban industrial, specialty crop Region and border area (population 316,000), not unlike Niagara, with Windsor (population 200,000) as the major urban-industrial centre. The County represents some twenty Townships, Towns and Villages (excluding Sandwich South and Pelee) on the Commission. The regional economic, locational and intergovernmental characteristics are not dissimilar to Niagara's. It is generally held that this economic development agency has been successful and has worked well for this part of Ontario.

The status quo alternative (Alternative 7) would, in our view, continue to be inefficient in terms of addressing Regional problems and especially, development potentials. It would likely continue to be relatively efficient and effective for the small number of Area Municipalities actively participating in area economic development programmes today. While being responsive to political automony and control at the Area Municipal level, the status quo (a) leaves several Area Municipalities out in terms of political and economic capability, and (b) is largely responsive to Regional objectives and concerns by chance rather than by design. While one

cannot be certain as to the details of current in-house political/administrative practices in all Area Municipalities, it is likely that the status quo should offer a moderate degree of administrative independence at this level, and virtually complete independence from political intervention from the Region. The status quo, notwithstanding widespread concerns with the need for change and a real desire for a new, constructive and bold initiatives in economic development, has its own inertia, value, security and adherents. In our view it still has a moderate-to-high potential for survival with minor modifications.

However, it is also our view that the status quo has not been and will not be sensitive and responsive to the needs and potentials of the Region of Niagara. This is evident in the need to take a much more agressive, Region-wide and developmental approach to tourism. It is evident in the need to take a coordinated approach to the supply of serviced industrial land (in terms of its location, the timing of supply and the types of sites). It is evident in the need to develop, project and market a Regional image for Niagara. It is evident in the need to take a sectoral approach to economic development (e.g. small industry development, large industry maintenance) versus inter-municipal competition for the available growth. We conclude, therefore, that the status quo as a legitimate alternative, is not congruent with the problems facing Niagara today, the challenges of tomorrow and the opportunities to exploit the Region's potential. It is not a desirable alternative to implement the six component economic development programmes which we have recommended.

In terms of direct costs the status quo is used as a base to compare all other alternatives. From previous studies, and other data we estimate that current Economic Development outlays by the Area Municipalities and the Regional Niagara Tourist Council approximate $400-450,000. This is a very rough estimate. It compares with a previous estimate of about $300,000 for 1976.* As noted earlier, it is very likely that the current level of outlays would have to be increased to attempt to meet the programme recommendations of the present Study.

In terms of neutrality, as already indicated, the status quo caters to those Area Municipalities which currently have the capability and momentum to expand their industrial and commercial base. The status quo may not induce much change in industrial and other economic opportunities for the other municipalities. It would have a low potential to respond to Regional priorities and development objectives.

The final alternative (Alternative 8) addresses the option of inter-municipal cooperation. From the social, political as well as the economic perspectives there is much to recommend this approach. It is our view that a grouping of joint-economic development agencies would produce a moderately good potential in terms of economic efficiency and effectiveness. Many Regional objectives could be effectively addressed by inter-municipal cooperation. Political accountability and control would be uncertain. It could be relatively high for the Area Municipalities, after the first few years of growing

* Smith, Auld and Associates Ltd., Industrial Promotion in the Niagara Region, Thorold, Ontario: A Background Paper for the Archer Commission. (September 1976)

pains. It is more likely that Regional control would be lower, with many Regional objectives being met by chance rather than by design. The joint development agencies would be administered closely by the participating municipalities. There would be considerable independence from the Region. This is a relatively novel formula for Niagara. It involves several agencies. Considerable discrepencies in economic weight between the community groupings would remain.

Notwithstanding considerable goodwill to advance the general area's fortunes, this approach can only be judged to have a moderate potential in terms of implementation. However, it does relate to and match quite closely the Region's problems, concerns and potentials which we have identified in this Study. It is very difficult to make a cost estimate, for this alternative. It would be higher than today's costs because all Area Municipalities would be actively involved. There would be more staff, research, marketing and promotion and considerable time in inter-municipal liaison, discussion and negotiations. This alternative is attractive in terms of neutrality.

SUMMARY

These then are our summary comments in judging the most likely impacts of the alternatives presented. It is again to be stressed that one cannot be deterministic. One can only speak in terms of potential outcomes and degrees of likelihood. It is evident that with our concern and terms of reference for Regional solutions and opportunities, the status quo alternative does not rank very high. Likewise, our concern for pragmatic solutions and a reasonable level of Area Municipal acceptance and participation militates against the

in-house Regional alternatives (Alternatives 1 and 2). We do not regard the special purpose body alternative (Alternative 3) or the Chamber of Commerce option as sufficiently well equipped and secure for the tasks at hand.

The incorporated economic development commission alternative in our view has a high potential to achieve a number of desirable outputs, including the following:

- Bring the critical Regional perspective and an area-wide development programme to the tourism sector.
- Address and specialize in sectoral problems and initiatives in the Region's critical large manufacturing industrial base.
- Address and specialize in sectoral problems and initiatives in the Region's critical small manufacturing industrial base.
- Promote and market the entire Region of Niagara to the maximum benefit of all Area Municipalities.
- Increase the area's competitiveness and effectiveness as on economic opportunity by drawing upon a greater diversity and wealth of resources and offering more opportunities for prospective industrialists.
- Derive economies of scale and maximize the effectiveness of specialization by concentrating a body of expertise and intelligence in one centralized economic development office.
- Reduce inter-municipal competition, duplication of effort and inequlity of economic opportunity.
- Establish a clear division between the operation and administration of the agency and political activity.

THE REGION OF NIAGARA ECONOMIC DEVELOPMENT COMMISSION - A RECOMMENDATION

Following our evaluation of the alternatives for economic development vehicles for Niagara, we have formulated a number of key recommendations.

1. It is recommended that the Regional Municipality of Niagara set up an incorporated, non-profit economic development agency,

the Niagara Economic Development Corporation (NEDC). The structure, mandate, staffing and budget for this agency are detailed below.

2. It is recommended that the Corporation draw upon the Windsor-Essex County Development Commission model (see its Charter of December 5, 1957) and the Proposal independently submitted by the St. Catharines Industrial Development Board (January 3, 1980).

3. The Regional Municipality and the Area Municipalities should immediately start work with the appointed Director of Economic Development (Task 0.4) and (later) his Advisory Committee (Task 1.12) toward refining the structure and mandate of the recommended NEDC, and phase in its implementation over a twelve (12) month period. The present economic development offices in St. Catharines, Niagara Falls, Fort Erie and Welland as well as the Regional Niagara Tourist Council should remain in place over the twelve month period as the NEDC is being set up and made operational. These agencies should play an active role in the development of the Corporation.

4. It is recommended that the NEDC have as its primary objectives the overall economic development of Niagara in terms of fostering and enhancing all sectors of the present economic base (tourism, agriculture, manufacturing industry, services, trade, etc.), bringing in new industries and commercial activities, expanding employment opportunities for all residents and enhancing the quality of life in the Region by

contributing directly to the advancement of economic opportunity, security and the goals and objectives of the Region's ennunciated policies.

5. The Corporation should be empowered with a wide-ranging mandate to review the health and potential of the Region's economy, to be the central source of economic and business information, intelligence and advice, to promote the Region as a desirable business location, to identify problems and areas of concern, to recommend, initiate and where appropriate implement programmes and projects to enhance the economic well-being of the Region, in part or in whole. Its mandate should include the purchase, improvement, management and disposal of land and buildings as required.

6. It is recommended that the Corporation have a Membership of 50 elected and appointed Members.

7. It is recommended that fifteen (15) of these should be appointed including the Mayors of all Area Municipalities, two Regional Councillors and the Chairman of the Region.

8. It is recommended that the remaining thirty-five (35) admitted or elected Members represent a broad cross-section of the Regional community including tourism interests, agriculture, organized labour, large manufacturing industries, smaller industries, retail and wholesale trade, office-based services, the educational community, full-time home-makers, handicapped and otherwise disadvantaged groups and other interests. Members should be recognized for their competence, independent

judgement, Regional perspective and commitment to participate actively, regularly and conscientiously in a voluntary community economic development agency.

9. Members should meet at least four (4) times a year.

10. All Members should vote equally.

11. The Board of Directors should consist of fifteen (15) Members, with the Regional Chairman and two (2) Regional Councillors appointed as ex officio Directors with voting powers. The remaining twelve (12) Directors should be elected from the thirty-five (35) admitted or elected Members.

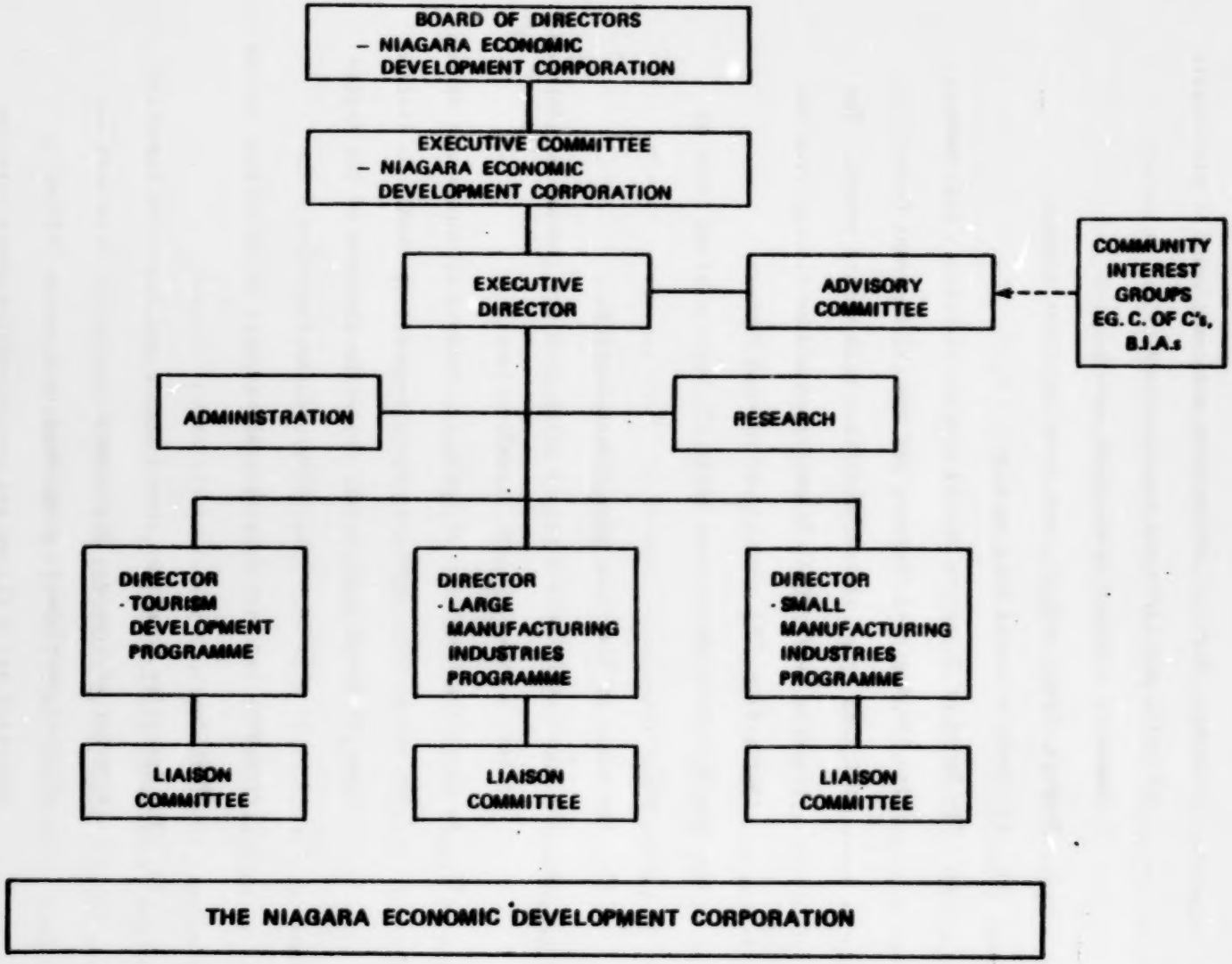
12. The Directors should have three (3) year rotating terms of office.

13. The Board of Directors should meet monthly.

14. The Board of Directors should elect from its general or admitted Members a President and Vice-President.

15. An Executive Committee of seven (7) Members to manage and direct the day-to-day operation of the Corporation should be elected from the Board of Directors, with the Chairman of the Region as an ex officio voting Member of the Executive. The President and Vice-President should also be ex officio voting Members.

16. The Executive Committee should retain and direct an Executive Director of Economic Development, three (3) Directors for separate development programmes, a Research Officer, a Secretary and a filing and general office administration Clerk.


BOARD OF DIRECTORS
– NIAGARA ECONOMIC
DEVELOPMENT CORPORATION
EXECUTIVE COMMITTEE
– NIAGARA ECONOMIC
DEVELOPMENT CORPORATION
EXECUTIVE
DIRECTOR
ADVISORY
COMMITTEE
COMMUNITY
INTEREST
GROUPS
EG. C. OF C's,
B.I.A.s
ADMINISTRATION
RESEARCH
DIRECTOR
- TOURISM
DEVELOPMENT
PROGRAMME
DIRECTOR
- LARGE
MANUFACTURING
INDUSTRIES
PROGRAMME
DIRECTOR
- SMALL
MANUFACTURING
INDUSTRIES
PROGRAMME
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LIAISON
COMMITTEE
THE NIAGARA ECONOMIC DEVELOPMENT CORPORATION

17. The Executive Director of Economic Development should be responsible for the daily management and operation of the Corporation's affairs as delegated to him by the Executive Committee. His other duties should include the following:

- o refining and implementing the overal Region of Niagara Economic Development Programme as recommended in this Study
- o developing and implementing the Region of Niagara Promotion Programme
- o developing and implementing the Region of Niagara Services Sector Development Programme
- o publicizing, refining and expanding the Special Projects Development Programme
- o structuring and staffing the Corporation through its formative 1-2 years
- o preparating, submitting and implementing a corporate plan for the Corporation

18. The three (3) Directors should be responsible for the Region of Niagara Tourism Development Programme, the Maintenance and Expansion Programme for Large Manufacturing Industries and the Small Manufacturing Industries Development Programme.*

19. The Directors should also be responsible for other ongoing assignments in agriculture, serviced industrial land, manpower development and training and other projects. The emphasis in the NEDC's approach is obviously sectoral (i.e. manufacturing industry, tourism) rather than geographical as is the present system (i.e. Niagara Falls, Welland).

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* See Part 2 of this Report for the detailed recommendations for these component programmes and the three (3) Directors' Liaison Committees.

20. With a Corporation staff of seven (7), and drawing upon some comparable operations, the following budgetary guidelines are recommended for the fiscal years 1980-81 and 1981-82.

ITEM	YEAR 1980-81	YEAR 1981-82
Personnel		
- Professional Salaries	$142,000	$154,000
- Administrative Salaries	24,000	26,000
- Employee Benefits	25,000	27,000
	$191,000	$207,000
Programme		
(Research production, Newsletter, promotion, contract, etc.)		
	$170,000	$200,000
Administrative Costs		
(Rent, subscriptions, office equipment, telephone, telex, legal, etc.)		
	$ 30,000	$ 35,000
Total	$391,000	$442,000

There may be a number of non-recurring expenses in year 1 (1980-81) with the need for advertising for personnel and other outlays. Both years have a considerable research loading as the Corporation develops a Regional economic information system, completes the visitor survey (1981) and analysis ($70-100,000) and develops professionally designed brochures for the Region as a whole and a number of the

component programmes.

Our budget estimates of $391,000 and $442,000 compare to the present economic development outlays of around $400-450,000, Windsor-Essex's reported 1979 budget of $297,103, Durham's 1979 budget of $259,923 and the $303,260 recommended by consultants for Hamilton-Wentworth. On a per capita basis the early start-up years of Niagara's economic development programme might cost something in the order of $1.06, as against the Hamilton-Wentworth recommendation of $0.74, Windsor-Essex's $0.96, Durham's $0.98 or the status quo's $1.08-1.22. Our estimates, like the comparisons made, contain no capital costs for land purchase and development. However, the salaries, promotion expenses, research costs and production outlays encompass all outlays for the six (6) component programmes recommended in this Study. Within the two (2) year start-up period all of those programmes should be launched.

21. While it does not appear that the Region will require external support for the NEDC and the six component programmes, it is recommended that the Province make available (a) a small contingency sum (e.g. $50-100,000) for support start-up funding, and (b) be prepared to assist the NEDC should extensive capital funds be required for industrial land purchase and servicing in its first 5-year plan.

TWO IMPLICATIONS

There are two (2) implications following our recommendations which should be raised. They relate to the Regional Municipality of Niagara Act and the present economic development agencies operating in the Region. The Act is permissive in that it allows the Regional Corporation the option of supporting economic development activity.

> "156. The Regional Corporation may make expenditures for the purpose of diffusing information respecting the advantages of the regional municipality as an industrial, business, educational, residential or vacation centre.
>
> 157. The Regional Council may make annual grants to institutions, associations and persons carrying on or engaged in works that in the opinion of the Regional Council are for the general advantage of the inhabitants of the Regional Area."

The Act is adequate as enabling legislation for the Regional Corporation to fund and otherwise support the proposed Niagara Economic Development Corporation.

However, the Act should be amended to make the formal economic development function the sole responsibility of the Region, however, it sees fit to exercise that responsibility. Area Municipalities should not be permitted to pursue formal community economic development promotion and marketing, unless:

(a) the responsibility or part of it has been delegated to an Area Municipality by the Region as part of its overall Regional economic development programme, and/or

(b) the economic development activity is purely advisory and serves as voluntary input (solicited or otherwise) from the Area Municipality to the Regional programme.

For consistency and coherence in marketing, promotion and the general development effort and for avoiding any duplication,

diseconomies or destructive rivalry, the Act should ensure that the official economic development function is concentrated in the Regional Corporation.

Regarding the present offices of economic development in St. Catharines, Niagara Falls, Welland, Fort Erie, the Regional Niagara Tourist Council and the part-time economic development activities of other Area Municipalities, the NEDC will replace all of these after twelve (12) months. Where appropriate, and upon the advice and direction of the Board of Directors of the Corporation, the NEDC should fully utilize the stock of resources (ie. skilled professionals, industrial lands, contact networks, data bases etc.) available from these active agencies. In addition, it is absolutely critical that the centralizing of the Regional economic development function not detract from, or discourage community interest and commitment to self-help and promotion, at the Area Municipal level. The NEDC must draw upon and actively encourage voluntary and interest group (e.g. Chamber of Commerce) input to the overall Regional economic development programme. The programme must have local relevance. Community particpation and interest must not only be maintained, but heightened. The recommended Advisory Committee on economic development for the Executive Director and the NEDC Executive Committee, should be the funnel and sponsor for active community participatin and input.

The acquisition of industrial parks should be approached on a case by case basis. The NEDC might want to avoid heavy capital outlays in the first few years of set-up and substantial current commitments. However, as noted in our programme recommendations,

selected lands might be purchased if they are deemed to be of strategic importance to the Region's overall economic and locational development policies and competitiveness, or if they are critical to an immediate development proposition which the Corporation has in hand.

APPENDIX — SUMMARY CONCLUSIONS FROM THE TECHNICAL REPORT

SUMMARY STUDY CONCLUSIONS FROM THE TECHNICAL REPORT

This part of the Report presents the summary conclusions from the Technical Report (January 23, 1980), encompassing the research, surveys and analyses from Phase 1 and 2 of this Study. These conclusions and the detailed findings behind them constitute the major, though not the exclusive, inputs into the development programme recommendations in the Final Report on the Region of Niagara Economic Development Programme.

It is to be emphasized that they are summarized conclusions and that to be used properly, the details of the Technical Report itself should be consulted. It is also to be noted that the conclusions presented here come from two sources: first, the Consultant's independent research and analysis, and second, the views of a cross-section of interest groups inside and outside of the Region, which were gleaned from a variety of surveys (mostly personal interviews) and workshops carried out throughout the three months work in Phases 1 and 2 of the Study.

THE ECONOMY

Problems

The Niagara economy has expanded slowly leading to some decline in job opportunities for the expanding labour force. Growth in the economy has depended upon growth in a small numberof sectors. The older heavy manufacturing base has not been and is unlikely to be a major source of new net job opportunities. Growth in the tourism sector has stagnated in recent years. The area still has a relatively high

unemployment rate. Growth potential in the Regional economy is not secure. The job creation rate of new industries is not very high. There is a need for a reliable, up-to-date and comprehensive data base for research into, and the management and monitoring of, the Region's economy.

While we do not expect that the growth in the working-age population over the next decade will, in itself, lead to a rapid rate of growth in demand for jobs, the Region can and must act to build a more secure Regional economy.

Potential

The Region has a great variety of resources ranging from its unique position straddling the U.S./Canada border, its access to the Central Ontario market, access to the Hamilton primary metals complex, first rate environmental assets and a well established industrial base to a highly skilled labour force, a life-style sufficiently removed from most "big city" problems and pressures and a great diversity of cultural and recreational opportunities.

The Region has some advantages and development potentials in a number of "growth" industries. The area can redevelop its tourism industry. The growth record of small, local industries is indicative of a good growth climate in Niagara, as is the record of in-coming smaller manufacturing industries. The important business services sector has recently recorded significant growth with evidence of further potential. The required rate of job creation to reduce unemployment to acceptable levels, to diversify employment opportunities, to expand the tax base and to increase development in the southern part of the Region, is within the areas's potential over the 1980-90 decade.

THE REGION'S IMAGE

Problems

From the views expressed in our interviews within and outside the Region, it is apparent that Niagara has:

(a) a relatively poor image with industrialists and the general public, associated with labour unrest and community conflict relating to land development and environmental issues,

(b) an undeveloped Regional tourism image, the present image being limited to the Niagara Falls, the Shaw Festival and a few other tourism attractions, and

(c) an image of a relatively peripheral location.

External perceptions regarding the general business, political and community climate are critical to Niagara's economic competitiveness and its development potential.

Potential

Image is one element of the Region's characteristics which can, at least in part, be redressed. Niagara has a unique endowment of physical resources and sufficient assets in terms of location, labour force and other factors to be able to rectify much of this problem while projecting an even more positive image. A more favourable and attractive image can in fact be developed and promoted. Promotion can only be developed on the basis of:

(a) the Region's actual stock of resources and assets, and

(b) tangible actions to remedy problems and exploit potentials. This is not a solution in itself, but a way of publicizing the resources and commitments being directed within the Region toward a solution.

TRANSPORTATION/COMMUNICATIONS

Problems

While accessability within Niagara is generally reported as being high and many external access problems may be more perceptual than real (given the Region's peninsular location), there are a number of expressed concerns deserving attention. In the area of internal transportation, there is no comprehensive inter-urban scheduled transit service serving all major urban centres within the Region.* Industrial and other commuters, therefore, do not have access to a full bus service taking them from any community to any urban centre within the Region. The presence of two long distance telephone exchanges within the Region (e.g. for calls from Grimsby to St. Catharines, from Welland to Niagara Falls) does not enhance Niagara's competitive position.

The area, according to the responses to our surveys, suffers in terms of air service because of the distance from Toronto International Airport, access difficulties to Mount Hope Airport and the lack of a complete business flight service at that airport. While taken nowadays as a "given", congestion and delays at peak periods on the Burlington Skyway remains a considerable irritant to industrialists in the area. Access by truck to Southwestern Ontario is reported as being difficult. Transshipment of goods through Toronto to Western Canada by rail is regarded as costly, in terms of time. The Welland Canal is generally regarded as an unexploited resource lost amid intergovernmental wrangling.

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* There is a scheduled daily bus service between St. Catharines, Niagara Falls and Welland and occasional services between these centres and a number of others in the Region.

Potential

Much of Niagara is not significantly more distant from Toronto than Hamilton, Brantford or Burlington. Improvements in highways and the Burlington Skyway would make the western end of the Region more competitive. Continued upgrading of other highways within the Region would also reduce the time/cost disadvantage of the St. Catharines, Niagara Falls, Welland, Port Colborne and Fort Erie areas. There may be environmental and other costs to be borne by these developments. The Region might be served by hovercraft and executive aircraft services in the future. Straddling the U.S./Canada border, the Region has unique opportunities to exploit Canada/U.S. manufactured goods trade opportunities. High speed passenger train service between the Region, Toronto, London and Windsor would be an added asset.

TOURISM IN NIAGARA

Problems

Niagara's tourism facilities, promotions and resources are largely highly concentrated in terms of themes, season and location. They are largely focussed on the physical uniqueness of the Niagara Falls and the associated commercial recreation outlets and related facilities. The average length of stay is less than a day. While slowly expanding, tourism provides a relatively short (e.g. 4 month) economic year and modest wage incomes. Notwithstanding the development of a variety of festivals and other events, and the presence of the Escarpment and two lakeshores throughout the Region, there is relatively little development, very little integration and acute seasonality to tourism in all parts of the Region (outside of the

Niagara Falls area). Our interviews indicate that there are some conflicting issues between the tourism and the industrial sectors. There is a lack of a comprehensive Regional tourism data base for planning and development purposes. Many of the Region's tourism facilities are old and there are some pockets of poor quality development.

Potential

Niagara, because of its location and physical geography, has unique and world renowned resources. The potential in this area remains considerable. The approach in the future, however, must be developmental, anticipating and exploiting opportunities, developing new "products" while diversifing and integrating the Region's resources and facilities toward year-round multi-location tourism. The spectrum of development opportunities ranges from (a) continued concentrated development and redevelopment of the Niagara Falls area, including the Niagara-on-the-Lake area, to (b) a deconcentrated strategy to focus tourist flows on new centres of recreation, cultural activities and entertainment. While there are many unknowns, Canada as a whole is becoming much more price competitive in international tourism, more Canadians are vacationing at home and real disposable incomes are rising. With an aggressive and imaginative approach, Niagara can diversify its tourism resources and expand its potential in this vital sector.

THE LABOUR FORCE IN NIAGARA

Problems

While our surveys indicate that there are problems with the external image of the Region's labour force and some internal concerns, it is generally felt that the Region is fortunate in having a skilled, stable and high quality labour force. However, there have been problems in the area of militancy and labour/management strife. There are some general problems in the availability of skilled labour (e.g. tool and die makers, machinists) and the southern parts of the Region are short on skilled labour in general.

Potential

Given the recognition of the problem the climate in labour/management relations can be improved. The community can increase the number of skilled workers. Niagara's labour force has a long tradition of industrial crafts and production discipline, it has the educational facilities and industries to upgrade labour force skills and has a large pool of semi-skilled and unskilled female labour. The area has a relatively high level of unionized workers and should not be faced by future unrest typical of formative years in union penetration and acceptance.

SERVICED INDUSTRIAL LAND IN NIAGARA

Problems

While there is no absolute shortage of potential industrial land in Niagara, the Region does have a shortage of serviced industrial land. The shortage is evident in terms of quantity, quality

(e.g. size of land blocks) and location. Unlike many other municipalities the Region does not have a leading, prestigious and large industrial park.

The fundamental problem of the costs of servicing industrial land and other development costs borne by the Area Municipalities, cannot be resolved outside of the broader issues of municipal finance and especially the unabated inter-municipal competition for industrial and commercial assessment. This fundamental issue goes beyond the boundaries of Niagara.

Potential

Given the willingness of the Regional Municipality and the Area Municipalities to redress this shortage, there is no reason why Niagara cannot bring a competitive and diverse supply of serviced land onto the market. Issues regarding the financing of industrial lands, the provision of services, the length and nature of the approvals process and the question of conflicting land development objectives (related to the urban boundaries issue before the OMB), have to and can be resolved. At the moment, the available serviced industrial land in Niagara is very competitive with neighbouring municipalities in terms of price. Niagara is starting from a relatively low base and should have considerable flexibility in terms of the type, location and pricing of industrial parks.

THE DEVELOPMENT PROCESS: HOUSING AND INDUSTRIAL DEVELOPMENT

Problems

It is widely believed that the approval process for residential and some industrial developments has been too slow, complicated and expensive. These views are reported by a diverse cross-section of the community and not only by development industry interests. It should be noted that the recent record of residential subdivision approvals by the Regional Municipality suggests that the Region's approval process is, in an Ontario setting, now relatively fast and may now be making good this perceived deficiency.*

The perception of a complicated process is more than likely due to the number of governments who might have an interest in a development proposal in some parts of Niagara. This is in addition to the number of departments in any one layer of goverment who might want to comment on any development application. The concerns regarding the length of time may reflect (a) the protracted preparation of the Regional Official Plan, (b) the number of unsettled issues still before the Minister of Housing and the Ontario Municipal Board, (c) the fact that up until late 1977 all subdivision applications went to the Province for approval, (d) the variety of avenues for inserting and expressing public input to the planning process in Ontario, and (e) the actual number of months which it still takes to get a decision on many projects.

An additional area of concern among a number of industrialists, developers and Area Municipal officials reporting to

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* Between April 1978 and the end of March 1979, decisions were made on 56% of applications received, the average decision process time being 4.7 months.

this Study relates to the lack of substantial tracts of high quality or prestige residential developments. It is not clear whether (a) the quality of proposals, (b) the attitudes of politicians or staff, (c) the variety of unsettled development issues before the OMB and the Province, (d) the Region's earlier policy emphasis on lower-to-middle income housing, or (e) other historical factors, individually or in combination, have retarded the bringing on of prestige residential developments. However, the matter is one of considerable concern and relates directly to the area's economic development potential.

Potential

Once the OMB decisions are announced and the Regional Official Plan finalized, several concerns relating to development should be settled. In addition, it should be a relatively simple matter for the Region to ensure that there are no unnecessary delays in the processing of development applications at the Area Municipal level and, where there is an interest, at the Provincial and Federal levels. The comparative performance of the Region (as against other Regional Municipalities) in processing development applications, and the need to take certain steps in the development approval process to ensure the highest quality of development management, can and should be widely communicated to all concerned.

Given the private sector's willingness to bring on high quality residential development, once the market is there, there should be no insurmountable problems to expanding the area's stock of prestige residential areas. This, combined with Niagara's present diverse stock of rural and urban housing and its advantage of price competitiveness, should enhance the Region's development potential.

THE DEVELOPMENT CLIMATE IN NIAGARA

Problems

While many industrialists, commercial operators, municipal politicians and administrators are very satisfied with the development climate in Niagara, our surveys throughout this Study lead us to conclude that the development climate in Niagara is not nearly as good as it might be, and is generally detrimental to the present economic base and the Region's prospects for growth and economic security. The climate has been reported in our surveys for this Study as follows:

- marked by some antagonism to industry,
- one of confusion among industrial and commercial residents as to who is responsible for economic development,
- one with very little concrete guidance in terms of Regional economic and development policies (on the part of the Region and the Province),
- characterized by lengthy and costly approvals processess,
- burdened by a perceived lack of competence in most municipalities in area economic development and development management,
- characterized by considerable concern and disappointment regarding the provision and the quality of municipal services,
- one where there is evidence of confusion and inefficiencies through complicated multi-agency deliberations from some four levels of government, and
- characterized by considerable parochialism and unconstructive relationships between municipal politicians.

In an area already known for high profile conflicts between various land development and conservation groups, and equally newsworthly labour/management strife, Niagara must turn the entire climate of development around.

Potential

There is already considerable evidence of change. With the resolution of the urban boundaries issue (now before the OMB), the decade of protracted deliberation on the Regional Official Plan will hopefully conclude. The Niagara Escarpment Plan should be approved in 1981. Given the reduction in the planning area now encompassed by the proposed plan, the impact on the development industry and other interests should be much less than heretofore. There is widespread recognition that a fresh start in the area of community economic development is needed. Attitudes are increasingly positive and constructive. The Region, Area Municipalities and the private sector are intent upon a rigorous and effective economic development process and vehicle for Niagara.

Notwithstanding the comparatively adverse development climate in this Region, industrial and commercial growth has in fact gone ahead in Niagara. With a more positive, cohesive and informed climate the conditions for development and reaping the fruits of well managed growth should be greatly enhanced.

THE SOUTHERN AREA IN THE REGION

Problems

Parts of the Southern area in Niagara (encompassing the urban municipalities of Welland, Port Colborne and Fort Erie) are gradually coming within the urban-industrial momentum of the whole Region. It was reported in our surveys that the area has disadvantages in terms of general access (especially to and from Central Ontario markets), the availability and capacity of sewage services, inadequate

quantities of skilled labour and the availability of urban services and amenities (e.g. good restaurants). The area has had a poor record of industrial growth over the 1971-79 period. Some aspects of the physical condition of urban areas in the southern part of the Region call for substantial upgrading.

Potential

Accessibility can and has been improved. The Southern part of the Region, especially the present urban areas of Welland, Port Colborne and Fort Erie, should benefit from (a) better transportation (b) improved sewage services, (c) the Region's policies which would restrain development in the Escarpment area and prime agricultural lands, and (d) the market trend of development through Thorold, south along the Canal/406 corridor. The area has somewhat more reasonable labour rates than the St. Catharines and Niagara Falls areas. While older and sometimes unsightly industrial developments are common throughout the Region, parts of the southern area are far removed from the more unattractive side-effects of heavy concentrations of older industries, typical of parts of St. Catharines and Niagara Falls, and offer many attractions in terms of quality of life. The area is especially well suited for expanded manufacturing industrial activity related to U.S. markets. The area has a significant pool of semi and unskilled labour.